

The Andersons Centre – Latest News Update

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CAP Reform 2012

The timetable for the next round of CAP reform has become clearer. This is the result of recent comments made by the EU Commissioner, Mariann Fischer Boel. As we have previously stated in these pages, what happens to the CAP is inextricably linked to the budget settlement for the 2014-2020 period.

Little is likely to happen before the new EU Commission is appointed in November of this year. Thereafter, it appears that the timetable for reform could follow this pattern;

- Early 2010 – an EU Commission ‘White Paper’ on the Budget Review – probably no formal proposals or figures, just a review of the current situation, and broad policy suggestions
- Summer/Autumn 2010 – the EU Commission (DG Agri) to issue a paper on the future of the CAP to start a public debate
- Early/Mid 2011 – formal legislative proposals from the EU Commission on CAP reform, plus formal proposals for the 2014-20 budget
- Late 2012 – Farm Ministers and EU Parliament to agree reform of Farm Policy
- Late 2012 through to Mid 2013 – Heads of State to agree budget for 2014-2020, with any subsequent changes to CAP.

The earlier timings are reasonably certain – as they are based on comments by Fischer Boel. The latter ones are more speculative, reliant, as they are, on the political process of the EU.

It can be seen that the final budget and farm policy agreement may not be reached until mid-2013.

This potentially leaves a policy vacuum. A quirk of the CAP is that the SPS is paid out of the following year’s budget – i.e. the 2014 budget settlement pays the 2013 SPS. As EU farmers go into the 2013 Single Payment year on the 1st January 2013 the support system may still be in negotiation. The current regime could be rolled-over for an extra year after 2012 (there is no ‘sunset’ clause in the current CAP legislation). However, the system would still need to be funded somehow. It is not currently clear how this issue will be resolved.

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