

Opening Speech
European Parliament Hearings
Commissioner Designate for Agriculture and Rural Development
Mr. Dacian Ciolo □
15 January 2010

*Honourable Chair De Castro,
Distinguished members of the European Parliament,
Ladies and Gentlemen,*

I am very pleased and happy to be here this morning.

With the entry into force of the Lisbon Treaty, the institutional family of makers of the Common Agricultural Policy is officially reinforced. You are now fully involved in the process of decision making on this policy.

I want to assure you that, if confirmed by you, I will build my strategy by taking into account this new reality. I know that the quality and the credibility of the Common Agricultural Policy can be reinforced with your contribution and with your strong cooperation.

I know some of you from my previous responsibility as Minister or from other opportunities during my professional life. I know that the diversity of European agriculture and rural areas is well represented here. This committee is a very good example of diversity, diversity that I want to preserve in the European agriculture.

I also know that this committee represents an important and legitimate resource of political competence in the field of the Common Agricultural Policy.

As a politician, I am open to your views, to your ideas. In this spirit, I come here in front of you to be evaluated but also to have a first exchange of views. I am ready to listen and to give you my ideas, but before this, allow me to briefly present myself and to underline the main priorities for my mandate.

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I was born in 1969 in Romania; a country that went through collectivization, through a revolution, through a difficult transition period and, finally, regained its place in Europe.

I have grown professionally after the '90s, when the ex-communist Eastern and Central European countries were getting closer to Europe. My interest for European construction, beyond my beliefs related to freedom and fundamental values, was always closely linked with my interest for agriculture and rural development.

I worked on farms, both in Romania and in other Member States of the European Union; I worked on small family holdings but also on large farms; I was in contact with farmers and professional organisations at local level, I worked in the national and European public administration and also at the decision-making, political level.

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I was the minister of agriculture and rural development at a difficult time. I employed and expected professionalism and accountability in all the measures I took. Over the years, I learned that nobody can understand agriculture from an office but only through real dialogue in which all stakeholders are heard.

Ladies and gentlemen,

The Lisbon Treaty has confirmed the validity of the principles of the Treaty of Rome on agriculture: the Common Agricultural Policy needs primarily to ensure food security and decent incomes for farmers.

The Common Agricultural Policy has adapted both to internal needs and challenges and to international developments. However, nothing that we have achieved so far in stability of food supply can be taken as granted!

The European Union now has 27 member states – it has gained in diversity but also in potential.

Agriculture is not only a food producer but also a provider of public goods which are important to the European citizen – environmental protection, optimal use of natural resources, preventive measures for climate change, animal welfare.

All these issues and others need to find their place in the debate on the future of European agriculture.

The main priority of my mandate is to define the perspectives of the Common Agricultural Policy after 2013.

To a certain extent, this is also an exercise of expectation management: the European farmers want stability and predictability, European consumers expect safe and healthy food, European tax-payers need assurance that their money is spent in an efficient and transparent way.

However, to match our objectives and ambitions, the Common Agricultural Policy needs an appropriate budget. .

The future Common Agricultural Policy has to remain a European policy, robust and balanced, mainly based on three components:

*One: **Direct payments** – they have proved their viability and they have a role in maintaining the stability of farmers' income.*

We will need to review the methods and the criteria for the distribution of direct payments, and to put them on new, realistic basis. We need convergence towards more equity between different categories of farmers, member states and regions.

*Two: **modern mechanisms of market regulation** to contribute to the main objectives of the Common Agricultural Policy, and at the same time to correct market deficiencies, and*

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address rapidly and flexibly significant price fluctuations that are affecting both farmers' incomes and the cost paid by the consumers.

The market has to continue to play its regulation role; but we cannot afford crisis that are irreversibly affecting the stability of entire sectors of the European agriculture, of fragile agriculture regions important for the territorial balance of the European Union or are leading to a decrease in farmers' revenues.

I do not think that the return to old market regulation mechanisms is a solution for the future. The price volatility in the agri-food sector in the last years, against a background of increasing demand in emerging countries and speculative funds' interventions on the market, demonstrate the need for new solutions. I trust we will find them together!

*Three: **Rural development policy** will need to contribute to the restructuring and modernisation of farms, part and parcel of the rural economy; it has to help agriculture to adjust to climate change and to contribute to the reduction in Green-house Gas emissions.*

The rural development policy will have to make better use of the European agriculture diversity; to promote public-private partnerships and innovation networks engaging the local actors of development, in close cooperation with cohesion policy.

This way, the diversity of the European agriculture and rural space will bring an enhanced and more visible contribution to the European economic and social model.

The orientation of the European agri-food sector towards quality and diversity is our asset on the world market. It has to be strengthened and actively supported in external trade negotiations. The brand of quality and specificity of European food products is at the core of the European agri-food model, which I would like to see better promoted on the international market. I will make it my priority, in cooperation with my colleagues responsible for trade, consumer protection and health.

Ladies and gentlemen,

When we debate the Common Agricultural Policy, we discuss not only our food, our bread and butter so to speak, but also millions of jobs in the European Union, in the agri-food sector.

This is why I believe it is crucial for us to work together to set up the building blocks of tomorrow's European agriculture.