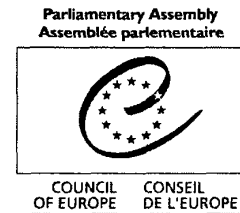


Parliamentary Assembly
Assemblée parlementaire



Doc. 10649
12 July 2005

The costs of the Common Agricultural Policy

Report

Committee on the Environment, Agriculture and Local and Regional Affairs

Rapporteur: Mr Paul Flynn, United Kingdom, Socialist Group

Summary

The Parliamentary Assembly recognises that the circumstances that led to the Common Agricultural Policy (CAP) of the European Union (EU) have significantly changed, resulting in the need to further review this important policy. The Assembly welcomes the recent package of CAP reforms as a good step forward in tackling some of the negative effects of the CAP such as its impact on developing countries, consumers, industry and the environment and its new focus on the protection of the environment, animal welfare and rural development. The Assembly recommends that the EU must carefully assess the effects of its agricultural policy both within Europe and in developing countries and take appropriate action to meet its commitments to reach the Millennium Development Goals.

The Assembly recommends that EU institutions and EU member states consider the need for reform to encompass all interests and address the role that agricultural policy can play in promoting rural development, protecting cultural heritage, traditions and landscapes. A more efficient and fair system is needed to appropriately compensate rural communities for the non-economic services they supply, such as the protection of the environment and of animals, the maintenance of landscape, their contribution to the social and economic life of rural areas and to the preservation of water, air and soil as life's essential elements. Any reform of the CAP needs to take account of the urgent need to address dwindling water supplies and the threat posed by climate change.

§ 11. The CAP remains a significant burden on the budget of the European Union, while other challenges demand new resources, such as scientific research, territorial cohesion, common defence, etc. The use of CAP resources must not become counterproductive and therefore its effects on manufacturing industries must be taken into account as they can be very negative at times, like the case of the sugar industry. Some CAP schemes have had a negative impact on linked industries causing the loss of jobs, such as job losses amongst manufacturers of sugar-based products.

§ 12. In addition, there is concern about the way subsidies are distributed. Large financial awards are being made to the largest and wealthiest farmers, dispelling the idea that the CAP protects the smallest farmers. The decision by the United Kingdom Department for Environment, Food and Rural Affairs to publish the recipients of subsidies (names and amount received) in March 2004 is to be welcomed. It is revealing that the CAP does not primarily help small farmers.

§ 13. The Assembly regrets that some elements of the CAP which have promoted intensive farming, alongside developments in technology, have also indirectly contributed to the destruction of habitats, pollution and decline in bird and animal species dependent on those habitats for their survival. Bird species have been recognised as indicators of this. Across Europe, the population of many farmland birds have been severely damaged as a result of this trend. For instance, the population of a farmland bird, the skylark, has declined by 52% in the UK.

§ 14. Without further reform, the Assembly is concerned about the long-term future of bird and animal species in Europe and the resources needed to repair the environmental damage caused by intensive farming.

§ 15. New Zealand offers an example of what can happen when subsidies are removed. Subsidies became unsustainable and were removed in 1984. It is notable that agriculture in New Zealand did not go into decline, productivity improved, environmental damage was reversed and the industry now responds to market and consumer demand. Important lessons can be learned from this example, even though the situation of agriculture in many parts of Europe cannot be compared with that in New Zealand in terms of rural population density, production tradition and complexity, links between agriculture and other local sectors such as tourism and the links between agriculture and landscape and environmental quality.

§ 16 Switzerland offers a contrasting example combining high subsidies with environmental protection. This principle is incorporated in the Swiss Constitution. The integration of such concern into agricultural policy would be wise, although there is concern about the sustainability of large subsidies and their effects on neighbouring markets.

§ 17. Consequently, the Assembly recommends that the institutions and member states of the European Union consider the following issues in the current and any future reform of the CAP:

§ 17.1. the impacts that the CAP has had on developing countries, the environment, consumers, taxpayers and other industries and how to address them;

§ 17.2. the urgent need to address the effect of the CAP on developing countries, particularly through schemes such as the EU sugar and tobacco regimes;

§ 17.3. the important lessons that can be learned from the New Zealand and Switzerland examples;

§ 17.4. the role that agricultural policy can play in promoting rural development, protecting cultural heritage, traditions and landscapes;

§ 17.5. the need to develop a more efficient and fair system remunerating the non-economic services supplied by farmers: the protection of the environment and of animals, the maintenance of landscape, their contribution to the social and economic life of the outlying regions and preservation of water, air and soil as life's essential elements;

II. Explanatory memorandum by Mr Flynn

Contents

	Page
1. Introduction	5
2. Trends in agriculture	7
3. Cost to the developing world	8
<i>EU Sugar regime</i>	
4. Cost to the taxpayer and the consumer	12
5. Cost to other industries and the economy of the EU	13
6. Cost to the environment	18
<i>The Skylark Alauda arvensis</i>	
<i>EU tobacco regime</i>	
7. Some models	20
<i>New Zealand</i>	
<i>The United States</i>	
<i>Switzerland</i>	
8. Conclusions	23
9. Recommendations	24

1. Introduction

1. The policy was established with the aims of increasing agricultural productivity, providing a fair standard of living for agricultural producers, stabilising agricultural markets, assuring stability of supplies and ensuring reasonable prices to consumers. It was determined by the experience of post-war Europe. Above all it was based on the desire for security and self-sufficiency.

2. CAP established a complex system where farmers were guaranteed prices for their produce and given subsidies to guarantee supply. Support was extended to exports, and tariffs on imports from outside the EU were implemented, adding a further level of protection. CAP fulfilled its aims very quickly in guaranteeing a stable income for farmers and food supplies. It was determined by the circumstances of the time. Those circumstances have changed and it is time to reconsider CAP and the role agriculture plays. A valuable contribution to this debate has already been made by Mr Nicolaos Floros, in his report, 'Challenges for a new agricultural policy' (Doc.9636).

3. This report¹ will demonstrate that the policy has gone way beyond its original aims and has had negative effects. For the purposes of this report cost will be understood as a negative consequence, measured in terms of damage to the environment, financial costs to the economy and developing world. These negative effects are unintended consequences, unforeseen by the policy-makers at its inception, but today's policy-makers are in a strong position to learn from these problems. The EU has a responsibility in its policies, not just to its farmers, but to the rest of its population and people elsewhere. Four areas will be examined to illustrate these effects, the

¹ Two exchanges of views were held during the preparation of this report: on 4 November 2004, with Mr Boetsch, Director of the Swiss Federal Office of Agriculture, and on 26 May 2005, with Mr Tangermann, Director for Food, Agriculture and Fisheries at the OECD, and Mr Collignon, President of the European Centre for Rural and Environmental Interest (CEIRE) and Director of Rurality-Environment-Development (RED).

Carmarthenshire and Ceredigion, farming accounts for 10.5% of the working population.⁴ 106,440 people have more than one skill in the Welsh language in Carmarthenshire and 44,635 people do in Ceredigion.⁵ A decline in agriculture naturally impacts upon the language spoken in rural areas.

7. Reform has become necessary to take into account the effects of CAP. The most recent reforms can be welcomed and go some way to break the link between subsidies and production and link farming practices to environmental protection with a single payments scheme, but the damage to the developing world and the environment has already been done. Any concern that reform could damage the EU's self-sufficiency has been dismissed by the OECD. The EU is more than self-sufficient and this is not threatened by reform. The reforms are a tentative step in the right direction, but critically have not altered the overall amount transferred to farmers. It is estimated that the budget for CAP will remain stable in spite of the introduction of single payments.⁶ Giving the focus to the environment is a popular way to repackage CAP, without addressing its real costs and is largely in response to pressure from a powerful farming lobby. A leading Economic Advisor notes, "I am very cynical about this switch to (environmental) funding – it's a way of keeping the subsidies."⁷

8. Consumer organisations have also been critical of the reforms, suggesting that consumers will see little difference. "I fail to see the purpose of a reform which allows payments to continue more or less as they are, with the same amounts of money going to the same people, irrespective of need, forcing poorer families to subsidise better-off farmers."⁸ The vested interests of the farming lobby mean that real progress is stalled and concessions had to be made in order to achieve any reform at all. NGOs working in the developing world have criticised the reforms for being of little assistance to poorer farmers and reform to parts of the policy such as sugar is only now being considered. A critical examination and reform of CAP should not be viewed as a threat to agriculture in Europe, more as a recognition of the problems and need for change, which benefit everyone, including the farmers.

9. However, this report will not attempt to analyse each new round of reforms, but concentrate on highlighting the negative consequences of CAP and the need for a rethink of agriculture policy in the EU. By its own admission, the aims of the European Union have changed. At the European Council in March 2000 in Lisbon a new ten-year objective was set for the European Union to become, "the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion."⁹

2. Trends in agriculture

10. To set CAP in context, it is important to see what contribution farming makes to the economy of the EU.

11. There is a general trend of long-term decline in the agricultural sector in the EU. Employment in agriculture has declined dramatically and the structure of the workforce has changed. Fewer people are farming and fewer younger people are engaged in agriculture. The contribution agriculture makes to the EU economy is dwarfed by industry and the service sector.

Table 1¹⁰

Number employed	1975 (millions)	1999 (millions)	1975-1999 (millions)	1975-1999 (%)
Services	48.1	78.2	+30.2	+63
Industry	40.9	33.7	-7.1	-17
Agriculture	7.6	3.8	-3.8	-49
Total	98.6	115.8	+17.2	+17

⁴ 'Persons engaged in work on agricultural holdings, 2001' National Assembly for Wales Digest of Welsh Local Area Statistics.

⁵ 'One or more skills in Welsh Language.' Census 2001 UK Office for National Statistics.

⁶ 'EU hails new era of healthy food and green living' Rory Watson The Times 27th June 2003.

⁷ 'So, what is the future for our countryside?' Faisal Islam The Observer 12/08/01.

⁸ Quote from Consumers' Association UK 'EU hails new era of healthy food and green living' Rory Watson.

⁹ Statement of Aims at European Council meeting, Lisbon March 2000.

¹⁰ Claude Vidal Eurostat 'Thirty Years of Agriculture in Europe. Changes in agricultural employment'.

suit crop growth.¹⁵ In a report prior to the WTO meeting in Cancun, the Committee stressed the importance of agriculture to these economies, "agriculture is the backbone of the economy," and "the establishment of a prosperous agricultural sector is one of the keys to development and economic growth."¹⁶ This compares strikingly with Table 1 on levels of employment in the EU.

18. CAP has two significant effects on these countries. Firstly, dumping, meaning the dumping of surplus goods, produced in Europe for a guaranteed price, on markets in the developing world. This means that prices of the same goods produced in the developing world are depressed and farmers suffer as a result.

19. Secondly, restrictions on exports from the developing world. Many goods, for example sugar, as we will see later on, face restrictions on access to the European market. Some countries enjoy preferential status, but Mozambique, a large sugar producer, faces these restrictions. If the poorest nations of the world increased their share of world exports by 5%, they would reap an extra €268.2bn (\$350 billion) a year, seven times what they currently obtain from aid. Using this, a projection has been made that suggests that for every 1% increase in the share of world exports achieved by developing countries, the number of people in extreme poverty would decrease by 128 million.¹⁷ Agriculture has the potential to contribute to poverty reduction, but is constrained as a result of CAP and the behaviour of developed countries. It can contribute to increasing wages and the creation of jobs in related sectors. However, it is important to avoid damage to habitats and the overuse of pesticides. A report by the International Development Select Committee on the Department for International Development's (DFID) agricultural policy notes that, "DFID cites a correlation between a 1% increase in agricultural productivity and a reduction by between 0.6% and 1% in the proportion of people living on less than €0.76 (\$1) a day."¹⁸ No equivalent correlation exists for manufacturing or service industries, demonstrating the importance of agriculture to the developing world.

20. In another twist, the EU devotes part of its budget to overseas development aid, ironically to tackle some of the problems caused by its own agricultural policies. This is not to suggest that the EU's development programmes do not make an important contribution in developing countries, simply that there is an irony in giving in one hand and seeming to take with the other.

Table 2¹⁹

2001	Support to agriculture	Overseas aid
EU	€71.3 (\$93.1) bn	€19.4 (25.3) bn
US	€37.5 (\$49.0) bn	€7.6 (\$10.0) bn
Japan	€36.2 (\$47.2) bn	€10.34 (\$13.5) bn

21. Another factor which will have an impact on agriculture and food supply in both the developing world and developed world is pressure on water supplies. Demand on water supply for intensive farming in the developed world is already making large inroads into aquifers that will not be replenished. This situation is likely to be exacerbated by climate change. A recent report highlighted that those living in developing countries are more likely to suffer directly from the effects of climate change.²⁰ Work carried out by the Earth Policy Institute demonstrates the gravity of demand for water outstripping supply and creating a crisis for future generations. The Institute estimates that 1000 tons of water is required to produce 1 ton of grain. The water balance in the North China Plain has an annual deficit of 37 billion tons of water, enough to produce grain to feed 111 million Chinese at their current level of consumptions. "In effect, 111 million Chinese are being fed with grain produced with

¹⁵ 'The Age of Consent' George Monbiot Flamingo Great Britain 2004 p.190.

¹⁶ *ibid* p.24.

¹⁷ 'The Age of Consent' George Monbiot p.188.

¹⁸ Report by the International Development Select Committee on DFID's agricultural policy 'DFID's Agriculture Policy' HC 602 p.6.

¹⁹ OECD Statistics www.oecd.org.

²⁰ 'Up In Smoke' New economics Foundation October 2004.

European sugar farms and their counterparts in Mozambique illustrates this. European sugar farms can earn €86,021 (£60,000) a year in subsidies for producing sugar, while the average wage in Mozambique is €215 (£150) a year.³⁰

28. Mozambique is one of the world's poorest countries with 70% of its population living below the poverty line. It is able to produce sugar very cheaply, but with current trade restrictions, less than ten per cent of its production reaches the EU and US.³¹ If Mozambique could export more of its sugar, it would be a major step towards tackling poverty. As the leader of Mozambique's national sugar workers' union explains, "We are a totally agricultural country and if we had the market, we could triple production and improve conditions."³²

29. A recent report by Oxfam offers greater insight into the situation in Mozambique by estimating the cost of EU on sugar imports. By calculating what Mozambique would have gained if exports to the low-priced world market had been transferred to the EU at current prices since 2001, Oxfam reports that Mozambique could have expanded its exports by over 80,000 tonnes earning €29.1m (\$38m) or the equivalent to total government spending on rural development. The potential of sugar to create jobs can be seen in the example of Sofala province. In the late 1990s, the province had unemployment of 19%. Since the reopening of two large sugar estates, employment figures have doubled. This has coincided with the dramatic reduction in poverty. From being the province with the highest poverty headcount in 1996-97, the province now has the lowest incidence of poverty in 2002-03.³³ The table below offers further comparison.

Table 3 - UN Human Development Report 2004

(NB UK and Switzerland additions made separately from Oxfam to provide comparison).

	Zambia	Mozambique	UK	Switzerland
% of population living on less than €1.53 (\$2) a day	87%	78%	Figures not available. Measurement not applied to countries with high human development	
GDP per capital	PPP €643 (\$840)	€804 (\$1050)	€20035 (\$26150)	€22992 (\$30010)
Life expectancy	33 years	38 years	78.1 years	79.1

PPP = Purchasing Power Parity, calculation to allow comparisons. Calculation of the relative value of currencies based on what those currencies will buy in their nation of origin.

30. South Africa also feels the effects of the sugar regime. A study by CAFOD found that it costs between €191 (\$250) and €229 (\$300) to produce one tonne of sugar in South Africa, while in Europe it costs €459 (\$600).³⁴ 140,000 people in South Africa are employed in the sugar industry from growing sugar through to processing, but South African Sugar Association estimates that over the past decade, the EU has depressed the world sugar price by 20 to 40%, forcing many farmers out of business.

31. Due to import restrictions, consumers in the EU pay substantially more for sugar. It is estimated that as a result of the regime, the cost to British consumers is €860m (£600m). Manufacturers of products using sugar, who employ 80,000 people in the UK, have suffered from

³⁰ 'Sweet dreams go sour across culture divide.' Charlotte Denny and John Vidal The Guardian 23rd August 2002.

³¹ 'Dumping on the Poor. The Common Agricultural Policy, the WTO and International Development' Duncan Green and Matthew Griffith CAFOD 2002 p.14.

³² *ibid* p.14.

³³ 'A Sweeter Future? The potential for EU sugar reform to contribute to poverty reduction in southern Africa.' Oxfam November 2004.

³⁴ 'A rough guide to CAP' CAFOD Briefing.

62. The biggest decline in Skylark population has been recorded on farmland. Changes in agricultural management have been pinpointed as the most likely cause. They are sensitive to vegetation structure and therefore land management practices such as changes in crop type and grazing regimes. Skylarks will not breed in tall or dense vegetation and prefer a mixture of habitats, with areas of shorter crops (spring cereals). "Sowing regimes have changed, with winter cereals replacing spring-sown cereals as the predominant arable crop during the 1970s."⁶² Other changes including the cultivation of unsuitable crops such as oilseed rape and a general decrease in diversity may be responsible. This means that there are fewer breeding attempts and reduced numbers of young birds. A further potential impact of the increase in winter cereals is that cereal stubbles, an important feeding habitat outside the breeding season have been greatly reduced since the early 1970s.

63. BirdLife International published an assessment of the status of farmland birds across Europe, which offers further evidence of the damage caused by intensive agriculture. The table below highlights the scale of the problem. The report concluded that, "Downward trends in farmland birds are significantly correlated with cereal yield, indicating a strong correlation between the intensity of agricultural production and decline in farmland birds."⁶³

Table 14 - Status of bird species⁶⁴

Country	% of breeding species under threat (number of breeding species)
France	41% (281)
Germany	36% (253)
Spain	46% (261)
Italy	42% (250)
Greece	43% (252)
Portugal	47% (201)
Ireland	31% (151)

EU tobacco regime

64. Of all the agricultural sectors supported through CAP, the tobacco regime encapsulates cost the environmental damage it has caused. Tobacco is grown in a very small area of the EU and concentrated in only a few member states. Nevertheless, the EU is the world's 5th largest tobacco producer. The regime has created a dependency, which in spite of the negative effects of it, has only just begun to be overhauled.

65. "Industry maintained by extremely high subsidies that are currently paid as a production premium. The premium makes up on average 76% of tobacco growers' incomes from tobacco growing."⁶⁵

66. The Royal Society for the Protection of Birds produced the following summary of the policy.⁶⁶

⁶² 'The importance of arable habitat for farmland birds in grassland landscapes.' Robinson R. A., Wilson, J. D., Crick, H. Q. P. Journal of Applied Ecology 2001.

⁶³ 'Birds in the European Union: a status assessment.' BirdLife International 2004 p.11.

⁶⁴ Ibid adapted from data included in report.

⁶⁵ 'Tobacco Production in the EU Background Paper' Royal Society for the Protection of Birds March 2004 p.1.

⁶⁶ ibid p.2.

Table 16⁷¹

	Assistance (NZ \$)	Output (NZ \$)
1980	€226m (405m)	€1,467 (2,621m)
1985	€579m (1,035m)	€2,562m (4,577m)
1990	€115m (206m)	€3441m (6,148m)

74. "The costs of domestic protection resulted in an ongoing deterioration in the relative competitiveness of the protected (agricultural) industries, and compensation had to be increased."⁷² Economic problems led to a reassessment of this policy and between 1984 and 1986. The bulk of subsidies were removed. This removal did lead to a period of painful readjustment for farmers, but crucially did not lead to a drastic decline in the industry. It was reported in March 2000, that "in the end only about 1% of the 8,000 farms that were predicted to close faced forced sales."⁷³

75. The liberalisation of the industry in New Zealand has had a positive impact on farmers, the environment and for the tax-payer. Table 5 on page 9 demonstrates that consumers have benefited too. The Federated Farmers of New Zealand produced a report, 'Life After Subsidies.' They concluded that the removal of subsidies had been a positive experience, "The New Zealand experience shows that in a modern economy, farmers do not need to rely on state charity."⁷⁴

76. They make a number of observations about the result of this change in policy.
- Economic growth in the agricultural sector has outpaced growth in the New Zealand economy as a whole.
 - Productivity since the removal of subsidies has improved by an annual average of 5.9% (prior to the policy change, this was recorded as 1%).
 - "Farmers are now farming better; they are much more conscious that their activities must make good business sense. No longer are they chasing subsidies, pursuing maximum production that reflects the real earning capacity of their farms."
 - Agricultural practice is now driven by demands of the market and by consumers.
 - Water quality has improved, fertilisers are used more efficiently and marginal land is being left to revert to bush.
 - From 1986 to 2002, the rural population did not decline, but held its own.

77. The comparison with a declining agricultural sector in the EU and the gains from removing subsidies is striking. An assessment of the way farmers have adapted concluded that, "The removal of subsidies has proven to be a catalyst for productivity gains, innovation and diversification. Farmers today are farming better, they are much more conscious that their activities must make good business sense. No longer are they farming to get subsidies. Farmers maintain cost structures that reflect the real earning capacity of their farms. They invest in protecting their environment, and the value of their land is based on its earning capacity. NZ farmers are now more in charge of their own destiny and less at the mercy of government price/subsidy fixing. Farmers have proved far more resilient and adaptive than was expected when subsidies were first removed."⁷⁵

78. Agriculture is now driven by the market and the consumer, environmental damage has been lessened by the use of less intensive methods, the rural population has remained stable and economic growth in the agricultural sector has outpaced all other sectors of the New Zealand economy. It may be argued by some that comparing the EU and New Zealand only serves the critics of CAP and that New Zealand is too different from the EU. However, it offers a model example of transition from a subsidy dominated system to a liberal policy and highlights the problems caused by subsidies.

⁷¹ OECD Agricultural Policies in OECD Countries 1997 p.64.

⁷² 'Farming Without Subsidies. New Zealand's Recent Experience' Ron Sandrey & Russell Reynolds 1990. p.17.

⁷³ 'Fruits of the Kiwis' Guardian 30/03/00.

⁷⁴ 'Life After Subsidies. The New Zealand Farming Experience 15 Years Later' p.1.

⁷⁵ 'The New Zealand Agricultural Sector: Policy Approaches and Initiatives Used to Help Farmers Adapt.' Professor Anton Meister and Dr. Shamin Shakur, Massey University, New Zealand August 2003 p.63.

87. State support for agriculture in Switzerland is some of the most generous in the world. The Producer Support Estimate (support for farmers as a % of their gross receipts through state support OECD) for Switzerland currently stands at around 70%⁷⁹, in comparison it is around 30% for the EU. Although this might indicate a highly expensive, protectionist regime, Switzerland has instigated a number of interesting reforms, which offers lessons for CAP.

88. Proposals in 1996 to refocus the agriculture policy towards the environment were accepted by the majority of voters. In addition, Article 104 of the Federal Constitution recognises the role that agriculture plays and undertakes to ensure that food supply is secured and that agriculture can contribute to this. The Confederation has a number of responsibilities including providing financial support, but with significant provisos that payments are only made where environmental guarantees are given. Additional payments are on offer for farmers who do not use fungicides and who adopt animal-friendly husbandry techniques. Payments are not linked to production. Rewards for farmers are now on the basis of high ecological standards rather than low use of fertilisers. This has led to a 35% drop in pesticide use.⁸⁰ Mr. Boetsch, in his presentation, underlined that the guiding principles of the policy emphasised conservation of natural resources and rural landscapes. The structure of payments has shifted towards making direct payments, increasing from 29% of payments in 1990-92 to 66% in 2000-02, but with no significant drop in income for farmers.⁸¹ If the aims of CAP were redrawn, much could be learnt from the Swiss example.

89. There is a fear in Switzerland⁸² that liberalisation would lead to a collapse of the farming industry, which echoes many of the fears surrounding proposed reform of CAP. Instead of moving in the direction of New Zealand, Switzerland has adopted a different approach. This example offers a way of building environmental considerations into an agricultural policy, although questions may remain about the financial cost to taxpayers and consumers of maintaining such a policy. Farmers are still being cushioned from market realities and such generosity will be difficult to maintain due to budgetary constraints.⁸³ Changing the form of payments to direct payments does not necessarily lessen the cost to the taxpayer and may be considered as a way of prolonging the philosophy of CAP, rather than reforming it radically as was mentioned in the opening paragraphs.

90. The lesson from the Swiss experience and the new EU single payment agreements is the remarkable lobbying power of the farming industry. They have successfully managed to replace the discredited case for subsidies on an economic basis with one based on the environment. Much of this is well founded on improved farming methods that are more benign for farm animals and the natural environment. Less convincing is the argument that farming has created the beautiful countryside on which most of our tourism depends. It was the hand of nature rather than that of the hands farmers that has shaped our beautiful landscapes. It is extremely unlikely that the demise of farming would see our cultivated areas reverting to forest and bracken from one frontier to another. Many farming activities enhance the beauty of the countryside. Others detract from it. Changing from agricultural to recreational and leisure often has a beneficial effect on the beauty of the landscape and improves rural prosperity. In the long-term, both the Swiss policy and the reformed CAP will be unsustainable.

8. Conclusions

91. The Common Agricultural Policy was determined by circumstances in the context of post-war Europe. These circumstances have changed greatly in the last 50 years. Support for agriculture in some form clearly has a place in Europe, particularly as a shielding force against the threats to our cultural heritage and minority languages, which are often intrinsically linked to rural areas.

⁷⁹ 'Doing it the Swiss Way' Stefan Mann EuroChoices Vol.2 No 3. 2003.

⁸⁰ 'The reform of the Swiss agricultural policy: achievements and challenges.' Presentation by Mr. Boetsch, Director of the Swiss Federal Office of Agriculture 4 November 2004.

⁸¹ Ibid.

⁸² 'Doing it the Swiss Way' Stefan Mann EuroChoices Vol.2 No 3. 2003.

⁸³ 'The reform of the Swiss agricultural policy: achievements and challenges.' Presentation by Mr. Boetsch.

Reporting committee: Committee on the Environment, Agriculture and Local and Regional Affairs

Reference to committee: Doc. 9853 and Reference No. 2852 of 8 September 2003

Draft resolution adopted by the Committee on 1 July 2005.

Members of the Committee: Mr Walter **Schmied** (Chairman), Mr Alan **Meale** (1st Vice-Chairman), Mr Renzo **Gubert** (2nd Vice-Chairman), Mrs Elsa Papadimitriou (3rd Vice-Chairperson), Mr Ruhi Açıkgöz, Mr Olav Akselsen, Mr Gerolf Annemans (alternate: Mr Luc **Goutry**), Mrs Sirkka-Liisa **Anttila**, Mr Ivo Banac (alternate: Mr Miljenko **Dorić**), Mr Rony Bargetze, Mr Jean-Marie **Bockel**, Mr Malcolm **Bruce**, Sir Sydney **Chapman**, Mrs Pikria Chikhradze, Mrs Grażyna Ciemniak, Mr Valeriu Cosarciuc, Mr Osman Coşkunoglu, Mr Alain Cousin, Mr Miklós Csapody, Mr Taulant Dedja, Mr Hubert Deittert, Mr Adri Duivesteijn, Mr Mehdi Eker, Mr Bill **Etherington**, Mrs Catherine Fautrier, Mr Adolfo **Fernández Aguilar**, Mrs Siv Fridleifsdóttir, Mr György **Frunđa**, Ms Eva **Garcia Pastor**, Mr Fausto Giovanelli (alternate: Mr Giovanni **Crema**), Mrs Maja Gojković, Mr Peter Götz, Mr Vladimir Grachev, Mrs Gultakin Hajiyeva, Mr Poul Henrik Hedeboe, Mr Mykhailo Hladiy, Mr Anders G. **Högmark**, Mr Jean Huss, Mr Ilie **Ilaşcu**, Mr Jaroslav Jaduš, Mrs Renate Jäger, Mr Gediminas **Jakavonis**, Mr Ivan Kalezić, Mrs Liana Kanelli, Mr Karen Karapetyan, Mr Orest Klympush, Mr Victor **Kolesnikov**, Mr Zoran Krstevski, Mr Miloš **Kužvart**, Mr Ewald Lindinger, Mr Jaroslav **Lobkowicz**, Mr François Loncle (alternate: Mr Guy **Lengagne**), Mr Theo Maissen (alternate: Mr John **Dupraz**), Mr Andrzej Mańka, Mr Tomasz **Markowski**, Mr Giovanni Mauro (alternate: Mr Pasquale **Nessa**), Ms Maria Manuela De Melo, Mr José Mendes Bota, Mr Gilbert Meyer, Mr Goran Milojević, Mr Vladimir Mokry, Mrs Carina Ohlsson, Mr Gerardo Oliverio, Mr Pieter Omtzigt, Mr Mart Opmann (alternate: Mr Toomas **Alatalu**), Mr Cezar Florin **Preda**, Mr Jakob **Presečnik**, Mr Lluís Maria **de Puig**, Mr Jeffrey Pullicino Orlando, Mr Maurizio Rattini, Mr Marinos Sizopoulos, Mr Rainer Steenblock, Mrs Maria Stoyanova, Mr Gábor **Szalay**, Mr Nikolay Tulaev, Mr Iñaki Txueka (alternate: Mr Julio **Padilla**), Mr Vagif Vakilov, Mr Borislav Velikov, Mr Geert Versnick, Mr Klaus **Wittauer**, Mr G.V. Wright (alternate: Mr Brendan **Daly**), Mr Kostyantyn Zhevago

N.B. The names of those members present at the meeting are printed in **bold**.

Secretariat to the Committee: Mr Sixto, Mr Torcătoriu and Ms Lasén Díaz