Preface

With the entry into force of the Treaty on the Functioning of the European Union, the provisions of the Treaty on agriculture have returned, for the most part, to the numbering of the equivalent provisions in the original Treaty of Rome. Despite some changes brought about by the development of what is now the European Union (EU) since 1958, these sets of provisions are remarkably similar. However, the same cannot be said of the policy that has developed from these provisions – the Common Agricultural Policy (CAP).

The original CAP was a system of price support; a target price which it was hoped the agricultural producers would receive for their products; an intervention price which in effect became the minimum price received by producers; and a threshold price at which products from third countries would enter the EU market. This system led to the gradual development of surplus production across a wide number of products which increased the financial burden of agriculture on the EU budget. Attempts to control production and budgetary expenditure were introduced in the 1970s and were a constant feature of reform in the 1980s – for example, the introduction of the milk quota system. Further reforms in the 1990s were necessitated by the restrictions imposed on domestic agricultural policy as a result of the introduction of the Agreement on Agriculture, part of the framework of international trade governed by the new World Trade Organization (WTO). The 1990s ended with the long-awaited introduction of an EU rural development policy to form the CAP’s second pillar.

Major (if not radical) changes were introduced to the first pillar in 2003 which saw the introduction of the Single Farm Payment, alongside cross-compliance requirements that would ensure that these payments were only made to farmers abiding by a series of environmental, animal welfare, plant protection and food safety requirements and who maintained land in good agricultural and environmental condition. The latter were a reflection of, for example, increased consumer demand for food quality and safety arising from outbreaks of bovine spongiform encephalopathy, foot and mouth disease and the dioxin crisis. Other factors in the reform included the enlargement of the EU to include the countries of Central and Eastern Europe and the launch of a new round of multilateral trade negotiations in the WTO. Although the latter have not yet been concluded, the reform of the CAP has continued to
make changes to the twin pillar structure alongside a simplification of the policy into four main regulations.

After an introductory chapter, these four regulations provide the structure for this book, with Chapter 2 addressing payments to farmers which form Pillar I of the CAP and Chapter 3 on rural development which forms Pillar II of the policy. Thereafter, Chapter 4 examines the Finance Regulation, before the discussion of the regulation on the common organization of the market in Chapter 5. The book ends with a discussion of the proposals for the reform of the policy which were published in June 2018; if adopted, these will represent another major reform of the policy as Member States will be required to develop National Strategic Plans for support of their agricultural sector and the number of major regulations will be reduced from four to three.

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