

**JOINT DECLARATION OF THE MINISTERS OF AGRICULTURE
of Estonia, Latvia, Lithuania and Poland**

Serock, 5 September 2019

Introduction

On 1 June 2018, the European Commission presented three legislative proposals on the reformed common agricultural policy (CAP) for the period of 2021-2027. The aim of the reform is to make the CAP more responsive to current and future challenges such as climate change and generational renewal, and at the same time provide the adequate support for European farmers in order to ensure sustainable and competitive agricultural sector. Future CAP has 9 ambitious objectives: to ensure a fair income to farmers, to increase competitiveness, to rebalance the power in the food chain, to tackle and adapt climate change, to provide environmental care, to preserve landscapes and biodiversity, to support generational renewal, to ensure vibrant rural areas, and to protect food and health quality. To meet the goals of the new CAP successfully, it is very important that the allocated budget for CAP matches with its ambitions.

Furthermore, considering that there is still a great deal of uncertainties around the Brexit process there is a need for a more careful approach towards the possible negative impacts it might have on European internal market in case of a no deal scenario. Therefore close monitoring of the internal market situation is required and appropriate measures to be implemented in case disturbances appear, should be considered.

We, the Ministers of Agriculture of Estonia, Latvia, Lithuania and Poland, have discussed and agreed a joint position on the following issues:

I. CAP reform in context of MFF negotiations – need to ensure adequate budget for the implementation of new objectives and challenges

WE CALL FOR ensuring adequate level of funding for Common Agricultural Policy under the next Multiannual Financial Framework.

WE CALL FOR maintaining of the existing level of funding for agriculture and rural areas. Future CAP will operate in the conditions of increasingly open EU market. The farmers will continue to face growing climate, environmental, animal welfare and biodiversity requirements, however these entail additional costs and income foregone for farmers, which should be compensated to them in full, in order not to undermine competitiveness of the EU farming sector.

WE URGE to maintain the importance of a strong second pillar of CAP as the main tool for accomplishing tasks related to social and economic development of rural areas, modernisation of the agri-food sector, environment and climate challenges, improved innovation, supporting less-favoured areas and generational renewal, outlined by the European Commission.

Therefore WE EXPRESS OUR GREAT CONCERN with the unjustified decrease of rural development funding, all the more so in light of that rural development policy has proven to be an effective tool in addressing the challenges faced by the CAP. WE EMPHASIZE that this may weaken the potential of delivery of rural development objectives, in particular in less wealthy EU Member States. Therefore, WE CALL to maintain the European Agricultural Fund for Rural Development (EAFRD) budget, as minimum, at the same level as it is in the current programming period.

WE STRESS that depopulation of rural areas and ageing farm structure forces us to finance the improved programmes dedicated to taking-over of farms and generational renewal, including support for young farmers and development of local territories.

II. Ensuring equal conditions of competition by leveling direct payments

WE CONSIDER that leveling of direct payments among Member States is necessary as our farms are operating on single market, which should be based on fair competition and have to fulfil similar additional obligatory requirements imposed on all EU farmers. It is unacceptable that direct payments within the EU differ up to 3 times, while burden of fulfilling the societal and political ambition is imposed on all the EU farmers equally.

WE BELIEVE therefore, that there is no justification for further continuation of differences in the level of direct payments resulting from their historical reference calculation parameters. WE EXPECT the alignment process of direct payments to be completed in 2021-2027 perspective.

III. BREXIT – need to ensure extraordinary measures for crisis management by European Commission, with consideration to the risk of no-deal BREXIT

WE POINT OUT that a no-deal Brexit poses great risks to agricultural markets. Therefore, it is necessary for the European Commission to provide extraordinary resources for crisis management, taking into account the risk of a hard Brexit. The United Kingdom's (UK) departure from EU structures without an agreement may negatively impact the supply chain and prices, as well as the competitiveness of EU agri-food exports to the UK.

WE CALL for monitoring of the market situation by European Commission and developing of effective extraordinary measures preventing market disturbance and financial downturn in agriculture.

WE BELIEVE that the farmers and agricultural producers should not bear the consequences of political decisions.

Conclusion

Agriculture, food production and rural life are based on the European model of agriculture and our common values, that we wish to uphold and develop further. The farming sector is facing different challenges, e.g. climate change and Brexit, and in order for farmers to be resilient and to be able to tackle the challenges, it is essential to carry out the above mentioned proposals.

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