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The common agricultural policy in the function of organic production development in EU

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- Under contemporary conditions the development of agricultural production has been achieved mainly at the expense of the environment.
- Traditional agriculture already left a legacy of polluted nature and thus the environment.
- Modern agriculture which would use technical-technological achievements could cause even more serious damages.
- We could not let that development and prosperity of agricultural production threaten the environment and lead to ecological problems, with unforeseeable consequences.
- Under present conditions, agricultural policy should take into account the agro-ecological issues in agribusiness.

- The main task of modern agricultural production and food industry is not only to produce more food at lower prices, but also to contribute to their work on protecting and improving the environment.

- Thus the production of the so-called healthy food includes using environmentally friendly technologies.

- The basic task of these eco-managers would be to manage the control of application of ecological principles in agricultural production
- It is more expensive to eliminate adverse consequences caused by failure to observe the ecological principles in business, than stick to ecologically correct principles.
- When seeing the competition and strategic possibilities for agricultural development of the EU countries that would be harmonized with expansion of agricultural market, it should start from some important points:
  1. Under the influence of the EU enlargement the structure of its internal market is changed;
  2. The requirements for state regulations in terms of encouraging the growth of agricultural production as an important branch in agro industry structure are changed.
  3. By increasing the number of the EU Member States, the position of agriculture and agro-industry is changed depending on their level of development in the countries that are integrated in EU.

- In the period 1967-1991 the EU Member States significantly improved cooperation in the function of common economic policy development, by which an important place in agricultural development has been given.

- First the common market of agricultural products was established, and then the common market policy in EC.

- Agriculture and its agricultural policy had important role in the period of transformation of EC into the EU, by signing the Maastricht Treaty between members in 1992.

- This had given a new role to agriculture on the EU market, which required the "Common Agricultural Policy" (CAP) to be established.

- CAP had endured fundamental reform in June 2003, which created long-term perspectives for sustainable agriculture and rural development.

- CAP has clearly defined policy which is focused on organic food and agricultural production.

- The organic agricultural production refers to farmers who return nutrients which are contained in waste products to the soil, and who at the same time take care of the animal welfare, avoid to use synthetic pesticides, herbicides, chemical fertilizers, growth hormone, antibiotics and genetic modifiers.

- Agricultural producers who deal with organic agriculture use the set of techniques that help to maintain ecosystem and to reduce pollution.

- EU has introduced rules for organic agricultural production in 1991. The aim is to secure the authenticity of organic agriculture methods, in order to provide framework for organic production of plants and animals and to introduce rules for labeling, processing and placement of organic products.

- *The EU CAP must be directed as an integrated policy which contributes to other elements of the state policy, above all in the direction of rural area development. The policy which is advocated in such way requires systematization of the following four elements:*

1) *Market stabilisation*
2) *Environmental and cultural landscape payments;*
3) *Rural development incentives;*
4) *Transitional adjustment assistance.*

- *Today CAP reflects almost half century of long change of priorities. The initial objective to increase food production, regardless of costs, is replaced with controlling the production surpluses and excessive costs.*

- *CAP carries the main heritage from the past which was oriented to the production. As far as the new one-time payments to agricultural farms are not connected with the current production, the amount that every agricultural producer receives reflects his previous direct benefits related to foodstuffs, which in most cases arise as compensation for price support reduction.*

- *For that reason direct payments in 15 "old" Member States are still firmly linked with the production of agricultural food from the past then with the current production of ecological or social goods.*

- CAP began to form in 60-s of the past century. Emphasis was put on the joint formation of the community pricing policy, and from that came the European Agricultural Fund which represented the source of funding of the CAP.

- EU with its common policy contributed to higher communication of Member States in all segments of agricultural production. EU creation is thus connected with establishing of developed agricultural policy concept. Note that EU started with Mansholt plan which was mostly implemented in 1980, that is in 1985.

- The complexity of issues of such EU agricultural programme appear in many segments of agricultural policy in every country.

- Some of these issues are the following:

1. General position of agriculture in a given country
2. Farmer income improvement
3. Overcoming unfavourable agricultural structures
4. Labour surplus in agriculture
5. Low work productivity
6. Precise social policy measures for agricultural producers and many others.

- Enlargement from 1973 even more comlpicated the already complicated relations. The two small countries (Denmark and Ireland) with their big agricultiral sectors and one big country (Great Britain) with its small agricultural sector, but with great number of big agricultural producers, joined the EU.

- The accession of Great Britain to the EU was the one that caused new political shift because for the reason that Great Britain followed agricultural policy which was confronted to CAP.

- Excessive production of agricultural products caused new discussions about CAP reform.
- The Council has imposed small change in guaranteed price system and specific form of payment which should establish *„co-responsibility"* of producers of milk products, so that they could recharge the costs of intervention storage and subsidy of product surplus selling.
- Since this payment for *„co-responsibility"* did not get the results the Commission proposed imposing of quotas in production.
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- At the summit at Fontainebleau in June 1984 the European Council, decided to reduce consumption growth for CAP, but at the same time the Council made a decision to increase own incomes of the EU thus eliminating the reason for long-term reforms of CAP, that is threat of money lacking.

- The question of CAP reform again became current in 1987 and 1988 because of budget pressure.

- Direct payment to farmers are imposed in 1988 by the so-called MacSharry reform which would become more and more significant way of agricultural subsidy. This attempt of reform was also just partly successful.
- All of this was additionally influenced by weak improvement in the Uruguay Round of negotiations about - GATT.
- Involving agriculture into Uruguay Round brought the Commission into a position to defend itself even before the negotiations started in September 1986.
- The Council insisted that basic objectives and mechanisms of CAP, internal as well as external, could not be questioned.

- Published in June 1997 Agenda 2000 included modified objectives of the CAP which revealed the impact of new social movements and economic trends on agricultural policy.

- Agenda 2000 was issued in 1999 with the aim of further long-term development and continuing of trade negotiation with WTO.

Agenda includes period 2000 - 2006 and represents stretagy based on the principles of MacSharry reform, but also includes the strategy for comprehensive development towards extended needs of the rural communities in Europe.

Basically Agenda 2000:

1. proposed EU to continue with MacSharry reforms by transforming agricultural subsidies form price support into direct payments.
2. gave special attention to rural development by stressing the obligations and possibilities for agriculture with the aim to increase **ecological awareness.**
3. gave special attention to **rural development** by stressing the obligations and possibilities for agriculture with the aim to increase ecological awareness.

- Reform of CAP from Agenda 2000 was very modest, because it did not include elimination of price support system nor great reduction of agricultural incomes.

- Cuts in prices about which the agreement had been reached were not sufficiently deep to ensure the possibility to manage agricultural policy in the period after the EU enlargement.

- These measures also could not satisfy critics of the EU agricultural protectionism in the WTO.

- The most important was that food prices in EU despite basic market conditions remained high even though supply still exceeded demand.

EU environmental policy has above all the function to:

1) achieve long-term sustainable economic development and fair division of natural resources by developing new technologies which contribute to increased use of resources, and

2) reduce destructive effects of industrial and human waste by lowering and stopping the production of leading polluters on the other.

The objective of environmental policy as a component of economic policy is to define negative and positive external effects, to emphasize precisely the most significant types from both kinds of effects and to propose the way by which it is possible to reduce the negative, and increase the positive external effects.

- The EU Common Agricultural And Rural Policy include four important elements:

  1) assistance in transition adjustment,
  2) market stability,
  3) subsidy linked with ecological component,
  4)as well as with landscape preservation,
  5) stimulative factors of rural development.

- Environmental protection system is very complex, and it consists of measures, conditions and instruments by which the protection is ensured.

- For organic agriculture exist strict rules, whose objective is to ensure quaranteed quality of picked forest fruits, agricultural plant and animal products and their products.

- Organic agriculture is based on essential bond between agriculture and nature with stress on respect of natural balance.

- In paper work authors precisely described numerous objectives of organic production.

- To these objectives numerous objectives stated in Codex Alimentarius can be added.
- In order to measure these objectives easily, the best way would be to ensure their implementation in practice and to make a difference between organic and conventional production and to impose procedures, official rules, both in national and international level.

- Organic production must be managed according to the rules, given in IFAOM standards in which minimum of requirements for organic production is proposed and defined. In paper work authors describe indicators.

- Standards give the production common language. Thus the communication is more simplified, and the marketing more successful. Standardization helps the producers to secure the product which is wanted and which they can sell, and the buyers to receive the quality of product which they want.

- Big associations of supermarkets impose quality standards which the productiom must fulfill.

- These standards refer to biochemical characteristics, external outlook (weight, color, diameter of fruit) and the presence of harmful materials (nitrates and heavy metals, residual pesticides, phytohormones).

- The most important standards are EUREGAP 13 for agricultural production and HACCP in processing industry

- **EUREGAP** is the standard which covers all the main aspects of production, such as soli managing, crop growing and harvesting. It also deals with issues of pollution, labour treatement and environmental protection. The standard follows the production from sowing through growing irrigation and harvesting to packaging, transport and placing the product on shelf in a shop.

- **HACCP Standard** represents the system that identifies, analyses and controls the risks, that are significant for food safety.

- **HACCP provides** numerous advantages. The most important are the following: provides preventive system for food production, effective and efficient survailance from the government with less inspections, responsibility for food safety is transfered to industry, helps food producers be more competitive in the world market.

- In the last decade of the 20th century the organic food production rate rapidly increases. Organic food turnover has growth rate high above than the one in conventional agriculture.

- In European Action Plan legal basis for comprehensive analysis of organic food production development in Europe has been given. The action plan contains 5. chapters which are:

1) Introduction
2) Organic food production development
3) Organic product market
4) Organic food policy and production
5) Standards and inspection.

- Within the Programme annexes and 21 actions are also contained.

- It must be emphasized that the significant element of strategy for environment protection and sustainable development is organic food production.

- Organic food production is entirely incorporated in rural development policy. Important positive effects of the organic food production are:
  1) Reduced and controlled use of pesticides and artificial fertilizers
  2) Soil protection
  3) Biodiversity conservation and environment protection
  4) Animal welfare.

- EU Member States should incorporate in their rural development programmes support to organic food production, which includes, among other things, education as well as training of all participants in organic food production and turnover.

- Adequate labeling of organic food is also important as extremely recommendable in areas, which are proclaimed as ecological oases

- Within the Union organic food movement is free. It should emphasized, that none of the Member States has the right to forbide the placement of organic products, that legally, in accordance with EU requirements, have entered the Union market.

- Third countries, which are on the list of organic food exporters, must inform the Commission about any correction in measures and their application.

• In the field of ecological management there are at least three forms of consulting projects:

1) Diagnosis of status of ecological conditions, socially responsible business and sustainable development;
2) Education and implementation of ecological production standards;
3) Interventions in production and technology.

•The offer of consulting organisations depends on the needs, that is, demand for consulting services on the market.

• The offer is influenced by pontential of the employees who work in consulting organisations. The most important are experience and expertise of the consultant which enable to meet the requirements of clients about ecological management. Ecological factors gain the importance,

- Good trainig and advices to agricultural producers are the most significant and useful way of state support.

- Analyses of economic parametres of countries during the phase of accession to EU indicate that the three prevailing trends are going on simultaneously:

1) Approximation of the economic and social system to EU standards,
2) Economic development and
3) Development of consulting market. EU requirements have to been „translated" into the language which is understandable for companies that actually need an advice about accepting new rules of behaviour.

- EU market consists of 500 million customers. Accessing this market imposes more strict business conditions which reflect in keen competition and numerous regulations from the field of environmental protection, protection of producers and consumers etc. Experiences so far indicate that certain sectors represent potential winners after accession to the EU.

- The task of a manager is to change production, marketing, as well as using the products or services, that is, carrying out the activities, in accordance with scientific and technical knowledge, in order to prevent serious or irreversible degradation of the environment.

- At the same time, it is necessary to measure the performance on environmental protection, to regularly check environmental protection and to evaluate compliance with internal requirements of the company, legal requirements and other regulations.

Thank you for your attention