Why do we need a European common agricultural policy?
Agriculture is a significant land use across Europe and has significant effects on the environment and biodiversity. The European Union is committed to achieving more sustainable development and to halting the loss of biodiversity and, in so far as feasible, securing recovery of biodiversity and ecosystems. The EU is also committed to significant reductions in greenhouse gas emissions. These objectives will only be achieved if there is a common set of rules, especially environmental standards, that have to be observed by farmers across the European Union land area. Furthermore the EU is committed to rational economic policies and the removal of perverse subsides and market distortions. Financial support to farmers needs to be related to the above objectives and secure the delivery of public goods. A common European agriculture policy that sets environmental and food quality standards for all farmers and provides targeted incentives designed to achieve these common European objectives is therefore necessary.

What do citizens expect from agriculture?
Citizens expect agriculture to produce good quality food, in a humane way, without causing harm to the environment and positively contributing to the maintenance and recovery of biodiversity and landscape quality. Wildlife habitats dependent on agriculture are in very poor condition, with less than 10% in favourable conservation status. Losses of biodiversity, particularly in grassland areas, due to abandonment or intensification, are unacceptable - declines of grassland butterflies have been 60% over the period 1990 to 2009. Citizens expect farmers to ensure that soil fertility is not degraded and to stop polluting water with high levels of nitrates and phosphates. They want the high levels of greenhouse gas emissions from farming to be reduced. These adverse environmental impacts are unacceptable to today's citizens and do not respect the EU's responsibility to hand on a healthy environment to future citizens. Farmers need to be more effective stewards of the landscape, caring for it as well as producing food for the market. People expect public money to be used effectively, transparently and equitably to achieve the EU's objectives and deliver public goods.

Why reform the CAP?
The current CAP needs to be reformed to ensure that the public money going to farmers supports the production of public goods. Pillar 1 payments and any export subsidies should be phased out because there is no public good justification for their continuation. Market failure that leads to the under provision of public goods, including biodiversity and landscape quality, should be addressed by redirection of payments into supporting farmers to do more both to protect existing nature and to invest in on going sustainable land management that maintains and restores biodiversity, valued landscapes and
healthy water and soil ecosystems. The current structure of CAP payments does not give value for money. It does not encourage and reward low intensity, environmentally friendly farming sufficiently. Too great a proportion of the money goes to owners of large farms with high production who do not do enough to protect and restore the environment. This needs to change.

**What tools do we need for the CAP of tomorrow?**

A reformed common European agriculture policy should consist of tools that help to meet the environmental objectives of the EU and incentivise more sustainable production. All payments should be linked to environmental and rural development outcomes. A baseline of good environmental practice should be observed by all farmers as a basic requirement. In addition targeted agri environment schemes, support for sustainable management of the EU Natura 2000 network and delivery of the EU Water Framework Directive goals should be fully funded. Expansion of organic agriculture should be funded and a new scheme to support extensive, sustainable management of High Nature Value farmland should be introduced. This needs to take account of the socio economic disadvantages faced by farmers in these areas and support them and their families to continue farming and delivering wildlife and landscape benefits for people to enjoy. Monitoring of the environmental impacts of farming needs to be more comprehensive and systematic and indicators, including the grassland butterfly indicator, should be used to evaluate progress. The production of food should be left to the market.