

Draft Speaking Note

9th European Conference on EAFRD Financial Instruments New Generation Financial Instruments for Agriculture and Rural Development

Pekka Pesonen, Secretary General of Copa and Cogeca

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Dear Commissioner Wojciehowski, dear Vice-President Vigliotti of the European Investment Bank

Dear Moderator, ladies and gentlemen,

- **My name is Pekka Pesonen**, I'm the Secretary General of Copa and Cogeca.
- In our organisation, we represent farmers and agricultural cooperatives from all across the EU, in all sectors from bees to trees, small and big farmers and their diverse cooperatives.
- It's an honour for me to be able to address you today in this 9th European Conference and highlight the need for access to finance for farmers and their cooperatives in the EU.
- I would thank both the Commission and the European Investment Bank for their strong support to this important policy area on the EU.
- We are living in challenging times not only in the EU but across the World.
- And these challenges have been impacting the activity of our farmers and agricultural cooperatives.
- From the impacts of the Covid pandemic, energy crisis, War in Ukraine, rising inflation and input prices, and the already so familiar extreme weather events this past year, farmers had indeed to endure a lot.
- So, the situation on the ground cannot be considered business as usual – it indeed feels like we are all shooting targets from a galloping horse. It is indeed a rocky ride.
- In addition, starting this year January, our farming sector had to adapt to the rules of the new CAP.
- This meant implementation and deployment of the National Strategic Plans.
- In addition to the challenges at farm level, our national administrations have experienced delays and other difficulties in many Member States.
- But our members, farmers, foresters, and their cooperatives remain in the forefront in proposing and implementing solutions, finding opportunities for producing even



more sustainably, to ensure food security under increasing demand for food, feed, non-food outlet production, and climate change pressures.

- They do this based on a holistic approach to the 3 pillars of sustainability (economic, environmental, and social).
- AND all this while also contributing to reduce global food insecurity in a world that according to UN forecasts, will reach 9.7 billion people by 2050.
- In the light of the most recent developments, it is obvious that we must ensure affordable food, in response to our concerns in ever rising cost of living.
- But make no mistake, farmers in the EU are committed to more sustainable production systems and practices.
- To the EU decision makers, we would call for:
 - a) Improved **farmers' income** and more equal position in the agri-food-fibre value chain
 - b) Addressing **generation renewal, being an excellent indication of successful policies**
 - c) **Investment in innovation**, new technologies and in the transition to even greener economy
 - d) Development and implementation of more performant and responsive market and **risk management tools to increase our operational resilience**
 - e) Ensuring our **competitiveness**, at farm level and with the help of stronger farmer-controlled cooperatives
 - f) **Investment in rural areas**, improvement of infrastructures and services. This is particularly urgent with the current situation in the Central-Eastern EU Member States experiencing high volumes of imports of Ukrainian agricultural commodities.
- **The 2019-2024 legislature has been the one to set the “targets”, while dealing with a “policrisis context”.**
- The most difficult part is yet to come, as in the coming months we will be moving from political regulatory discussions to implementations on the ground.
- But what still remains to be seen is the action that follows from the **speech of the Union by Commission President Ursula von der Leyen**, the farming and forestry sectors received some well-deserved attention for their hard work and resilience in the face of the crises that have marked the past years.
- Copa and Cogeca welcomed this.
- Commission President's words responded to our longstanding call on the need to focus “more on an open dialogue and less on polarization”.
- In Copa and Cogeca, we are also convinced “that agriculture and nature protection can go hand in hand”.
- And we welcome the announcement to open “a strategic dialogue” on the future of agriculture in Europe.



- Whilst waiting for further details and confirmation of this important step, we believe that any dialogue must start from the reality faced on the ground by farmers, foresters and their cooperatives.
- Our strategic role in ensuring food, fiber, energy and other vital services is more than obvious.
- This must be at the centre of the discussions.
- The timing of this dialogue is also quite important since the new legislature will start next year after the June 2024 European elections.
- But let me also make it clear, we must discuss how to improve our sustainability, societal resilience.
- We cannot abandon European Green Deal. In fact, it can only be successful with strong involvement of the farming sector!
- But it must make sense, not only in the minds of the Brussels white-collar bureaucrats like us, but to those millions of dedicated people that are supposed to put it in practice and while doing it, making a living out of it.
- The **new legislature** which will start in 2024 **must identify what future we want for the agricultural sector in Europe**, and then move to identify and **provide the tools to farmers and agri-cooperatives** to implement this necessary transition.
- A transition to a more sustainable and resilient farming sector whilst ensuring that no one is left behind.
- **In fact, we need a “New EU deal for agriculture”**, to ensure that the green transition is made with farmers and agri-cooperatives and not against them.
- We need to further improve the dialogue with farmers and foresters!
- The EU seems to talk about restoration, whether it is nature, culture, or traditional landscapes with its farming structures.
- In the words of one of our member organisations, should we not set up an agriculture restoration act by giving the sector attention that it deserves?
- We hope that during the next EU legislature, the EU institutions put in place a true enabling **framework** for the farmers transition, **fit for the strategic role of farmers and agri-cooperatives** to assure food security and affordability into the EU and beyond.
- For this, we will need:
 1. A **future Union multiannual budget** that recognises and reflects the challenges and emergencies of the sector geared towards improving food security and reducing energy dependency. This must also acknowledge reflections on the future enlargement of the Union. We all know that it will be difficult to get any major increase in the taxpayers' contribution to the EU budget and the CAP. Therefore, in addition to the possible increased funding,



we must address the market. And let us face it, the recent market developments in agri-food sector clearly demonstrate that the hot talks about consumers opting for the sustainable food, such as organic, did not actually materialise. Those talks of the NGOs did not deliver.

2. **Fair trade** guaranteeing reciprocity in production standards. The more ambitious agenda we agree in the EU, the more we must ask from our international trading partners, too.
 3. Guarantees that any new legislative proposals impacting on agriculture are **accompanied by impact and feasibility studies** alongside its market orientated financial model.
- The European farming community has high expectations for the **next 12 months**.
 - We are ready to do our part with a strong engagement and mobilization on the powerful values of the European Union fixed in the EU Treaties.
 - Today we are defining our ability to ensure Europe's food security in terms of availability, affordability, and accessibility.
 - It is about our strategic autonomy, while contributing to alleviating global food insecurity.
 - As you can clearly hear from my words there is a common underlying need to secure such a successful transition – that is **access to credit and finance**.
 - During the past few years, we were used to reasonably low interest rates and affordable financing.
 - Increasing inflation, European Central Bank higher interest rates and volatile international politics have been seen an additional burden to the necessary investments that we all need.
 - As a consequence, we have seen historically low levels of new entrants, young men, and women to agriculture.
 - It goes without saying that the need of affordable finance is becoming a major driver for future.
 - Instead of building administrative EU barriers and creating non-marketable cost of compliance also in the financial markets, we must incentivise – not hinder - investments in our primary sectors, in agriculture, forestry and fisheries / aquaculture.
 - And we must say this out loud!
 - Forgive me for saying this, but the overwhelming feedback that we receive from our members, points out that the EU is seen more as an obstacle than enabler.
 - This may not be true in all accounts.
 - But we must take this seriously and address this head-on.



- And this is where financial instruments play a crucial role. I agree on the three points that the Commissioner Wojciechowski underlined: we must engage more banks, we must motivate Member States to go further with the tools available, and we must close the financing gap!
- Be it during this current planning period or the next one, financial instruments need to continue to be available for our sector.
- I still believe that like the EU itself, financial instruments make a difference!

Thank you very much for your attention!

