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DECLARATION of the international congress of non-governmental agricultural organizations of new EU member states

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of the international congress of non-governmental agricultural organizations of new EU member states
taking place from June 1 to 2 2009 in Brno.

We call for the equality of farmers in the European Union
and ensuring the competitiveness of milk producers

Generally, due to the “double-tracked” Common Agricultural Policy of EU and maintaining historical advantages of old EU member states, new member states have gone deep under the threshold of self-sufficiency and production ability in number of commodities. For example, the Czech Republic has already dropped deep under the self-sufficiency threshold in such sectors as sugar industry, flax industry, starch industry, fruit growing, market gardening and pork meat production. By now also other industries have been endangered, namely stock raising and especially milk production; the danger is much more serious than in old EU-15 member states. As early as in the pre-accession period new member states were facing different conditions from those set up in the original model for European farmers in old member states. At the same time, they also adopted some different financing conditions, which mostly resulted from the application of compensation mechanisms of reduced price support after 1992 and consequential reforms of the Common Agricultural Policy.

It has been the decline in production in new member states, which has accounted for slower growth of the agricultural production in EU in comparison with other parts of the world.

The Health Check and the reform of the Common Agricultural Policy do not eliminate differences between old and new member states. On the contrary, maintaining the economic preferences and re-approving of some advantages for old countries predestinate further production decline in new member states and further growth in old countries. For more detailed information on different conditions of CAP EU and development of individual commodities see annexes.

Because the agricultural markets have common problems thus new and old member states should cooperate in order to stabilize them and assure fair incomes to farmers in all European regions.

Thus we call for the elimination of protectionism from the Common Agricultural Policy and taking effective measures focused on:

A) Equality and ensuring competitiveness of farmers in new member states of European Union:

1. Fully equalizing direct payments in new member states (EU-10) to the level given by the accession contracts as early as by 2010 rather than 2013. In the first place this should eliminate major negative impacts of the financial and economic crisis on new member states in the agricultural sector (namely the fall in prices and decline in agricultural production sales). Even if the direct payments levels in new member states are compensated as early as by 2010, the amount of direct payments and other assistance and subsidies per 1 ha of the agricultural land will be significantly lower in new member states. For example the Czech Republic will only reach one half of the level of Germany and Austria, on the top of it excluding subsidies for social and health insurances in these countries.

2. Beyond 2013 the unified system of direct payment rates should be applied in all EU member states and new tools should be adopted in order to create support system of agriculture enterpreneur insurance to eliminate the growing risk rate in the agriculture.

3. Direct payment (SAPS or per a farm) should take into account load of the agricultural land in terms of CU per the hectare of the agricultural land and maintaining the current number of permanent employees in the company,

4. Including the social and health insurance subsidies paid by the government to farmers in the amount of national subsidies and limits the percentage of national subsidies in relation to direct payments.

B) For the milk and dairy industry:

1.EU must immediately apply all available measures for the support of dairy market, mainly in the commodity and measures for adding of the skimmed milk used as animal feeding.

2.To balance subsidies for milk producers in the EU 15 and the NMS.

3.To enable within Article 68 of amended Council Directive No. 1782/2003 for new member states to support the enlarged intensive dairy cow breeding as from 2010 onward and to increase the possible subsidies from 3,5 % up-to 5 %.

4.To reduce milk production quotas until the time when the dairy market is fully stabilized.

5.To implement minimum prices of the raw cow milk for the agriculture producers, which are linked to flexible milk volume production so, that offer responds to demand and covers gate milk price of 0,40 €/kg.

6.Within the frame of tracing of prices of food stuff in EU MS to adopt such a directive aimed on the prevention of market power abuse in the food vertical with the help of monitoring of the development of food prices and margins in EU member states.

Brno, June 2, 2009

Conference participants came from Austria, Bulgaria, Czech Republic, France, Germany, Hungary, Lithuania, The Netherlands, Poland, Slovakia, Slovenia, Switzerland and Ukraine represented by

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Ing. Jan. Veleba, Chairman

of the Agrarian Chamber

of the Czech Republic

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