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Food and markets instability

**How the CAP could help food industry
to cope with market volatility? Some
personal seminar conclusions**

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- *1. First, Do not disturb!: Volatility management starts on farm. Policy intervention should not discourage farmers to manage risks at farm level*
- *2. Counter-cycling payments are not only incompatible with EU current Budget rules, they are not advisable: For exports products, it is equivalent to the most distortive instrument the CAP has had in the past, the export refunds*

- *3. There is a case for public support to agricultural insurances schemes, as private perception of risks differs from real risk.*
- *4. But this has to be a national competence and not an EU scheme.*
- *5. Risk management tool in Rural development, a useful innovation but not for large scale market difficulties*

- *6. There is a scope for increasing market transparency, as the European Union has done with the European Milk Market Observatory and its dashboard.*
- *7. Public intervention should be maintained as a safety net, when there is a tsunami in the market such as the E-coli crisis or the Russian band*

- *8. OTC, MIFID regulation: useful, in progress, should be convergent on both side of the Atlantic*
- *9. Ensuring convergence between future and spot market, a real issue*
- *10. Support for income and agricultural diversification make sense, as for research, innovation and training*

- *11, But other national policy are also very relevant such as fiscal and energy policies*
- *12. A proper balance between competition policy and agricultural policies has to be found. The abuse of dominant position of the competition authorities should be avoided.*
- *13. Private crisis management makes only sense to calm markets as preventive action*

- *14. Support to join activities between farmers and actors of the food chain make sense. Also producers' organisations, associations of producers' organisations and Interbranches. CAP post 2014 a positive move.*
- *15. Also positive: the possible extension of rules*
- *16. rebalancing the food chain, a major issue today and even more tomorrow.*

Para saber más

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