

Commissioner Phil Hogan
European Commission
Rue de la Loi / Wetstraat 200
1049 Brussels
Belgium

9th June 2018

Dear Commissioner Hogan,

We would like to thank you for the efforts that you have made in the proposal of regulations for the CAP beyond 2020 for simplifying the CAP, giving Member States more possibilities to make decisions considering the local conditions, strengthening the competitiveness of European farmers, protecting the environment, tackling the unfair trading practices, assuring the generation renewal and many other details which would ensure the viable and sustainable agricultural sector in Europe.

Nevertheless, Lithuanian, Latvian and Estonian farmers organisations would like to express their deep concern about some elements of the proposed CAP, that would cause serious difficulties to our farmers and hinder the possibilities to achieve the aims of the CAP in our countries.

We find the proposal on external convergence disappointing, as it keeps the level of direct payments in Baltic States constantly below 80% of EU average, without a hope for any significant improvement foreseen by the end of next programming period. We have serious difficulties in understanding why the level of direct payments in different Member States should continue to vary by 2-3 times? There is no justification for cutting our farmers competitiveness in the EU single market, especially in the conditions where the actual production costs are significantly higher in our countries than in the EU average (according to Eurostat*).

The very low level of direct payments will also put a question mark to implementing the Commission plan to finance the national eco-schemes under the first pillar of the CAP. It also jeopardises the generation renewal, as the world is open and young people do not see the benefit of farming activities in our countries when the competition conditions are so much unequal.

Rural development policy has proven its importance and effectiveness in Baltic States, enabling to contribute to livelihood of rural areas and tackling the agri-environmental challenges. Therefore, the significant reduction of rural development budget is unacceptable and would sacrifice the possibilities for creating added value and solving many problems in rural areas.

* production costs for 1 euro of agricultural production value in 2017 in Baltic States, depending on region, were 15-30% higher than EU average while the direct payments levels in the Baltic States are 40%- 46% lower than the EU average.

We deeply understand that EU faces many challenges which require additional funding, but we cannot sacrifice the agricultural sector by decreasing the financing to the level where meeting the ambitious environmental, animal welfare and food quality objectives would become impossible. We urge the Commission to find a way for further and quicker convergence of direct payments in order to assure equal conditions in the EU single market and maintain the financing of rural development policy in the current level.

Yours sincerely,

Arunas Svitojus, Phd -Ch.

President of the Chamber of Agriculture of Lithuania

Jonas Kuzminskas

Chairman of the Board of Lithuanian Association of Agricultural Cooperatives
“Kooperacijos Kelias”

Jonas Talmantas

Chairman of Lithuanian Farmers' Union

Roomet Sõrmus

Chairman of the Board of the Estonian Chamber of Agriculture and Commerce

Kerli Ats

Member of the Board of the Estonian Farmers Federation

Maira Dzelzkaleja-Burmistre

Vice-Chairwoman of Latvian Farmers Parliament

Agita Hauka

Chairwoman of Latvian Farmer's Federation

Edgars Treibergs

Chairman of Latvian Agricultural Organization Cooperation Council (LOSP)

Indulis Jansons

Chairman of Latvian Agricultural Cooperatives Association