

Reform of the CAP

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Reform of the CAP

In the late 1960s, when the common organisations of markets (COMs) were gradually being put in place, the Commission was determined to limit expenditure on the common agricultural policy (CAP). The uncontrolled increase in cereals and dairy surpluses resulted in expenditure on intervention (guaranteed prices) and market support that took up more and more of the Community budget. At the same time, between 1950 and 1958, the total number of working farmers fell from 18 million to 14.5 million. In the Mansholt Plan, the Commission proposed a radical overhaul of Community agriculture, causing much concern and discontent among European farmers, as evidenced by a spectacular demonstration of nearly 100 000 farmers on the streets of Brussels on 23 March 1971. The results were serious: much material damage was caused, 140 people were injured and one person died.

The Mansholt Plan

On 21 December 1968, Sicco Mansholt, European Commissioner for Agriculture, sent a memorandum to the Council of Ministers concerning agricultural reform in the European Community. This long-term plan, also known as the '1980 Agricultural Programme' or the 'Report of the Gaichel Group', named after the village in Luxembourg where it had been quietly prepared, laid the foundations for a new social and structural policy for European agriculture.

The Mansholt Plan noted the limits to a policy of price and market support. It predicted the imbalance that would occur in certain markets unless the Community undertook to reduce its land under cultivation by at least 5 million hectares. The former Netherlands Minister of Agriculture also noted that the standard of living of farmers had not improved since the implementation of the CAP, despite an increase in production and permanent increases in Community expenditure. He therefore suggested that production methods should be reformed and modernised and that small farms, which were bound to disappear sooner or later, according to Community experts, should be increased in size. The aim of the Plan was to encourage nearly five million farmers to give up farming. That would make it possible to redistribute their land and increase the size of the remaining family farms. Farms were considered viable if they could guarantee for their owners an average annual income comparable to that of all the other workers in the region. In addition to vocational training measures, Mansholt also provided for welfare programmes to cover retraining and early retirement. Finally, he called on the Member States to limit direct aid to unprofitable farms.

Faced with the increasingly angry reaction of the agricultural community, Sicco Mansholt was soon forced to reduce the scope of some of his proposals. Ultimately, the Mansholt Plan was reduced to just three European directives which, in 1972, concerned the modernisation of agricultural holdings, the abandonment of farming and the training of farmers.

The EAGGF

The common organisation of agricultural markets during the 1960s led inevitably to a large increase in the production of cereals, meat, dairy products and sugar. The European Economic Community (EEC) had to intervene to support the sale of surpluses such as butter. The markets in other agricultural products, such as tobacco and fruit and vegetables were organised between 1970 and 1972. The expenditure of the European Agricultural Guidance and Guarantee Fund (EAGGF), which accounted for a large part of the Community budget, had increased every year since its creation in 1962.