

How can the CAP improve job creation in rural areas?

2015/2226(INI) - 10/10/2016 - Committee report tabled for plenary, single reading

The Committee on Agriculture and Rural Development adopted the own-initiative report by Eric ANDRIEU (S&D, FR) on how the CAP can improve job creation in rural areas.

The report noted highlighted that rural areas represent more than 77% of EU territory and that many jobs in those areas depend on agriculture and the agrifood industry. The foundations of the last CAP reform enabled aid to be redirected and distributed more fairly among the Member States and the various agricultural sectors. Members reaffirmed the role of the CAP in economic terms and as a social stabilising factor for farms and rural regions.

However, the economic crisis is affecting in particular rural areas.

Under the current CAP: the report noted that it is of crucial importance to maintain the two pillars of the CAP. Pillar I prevents out-migration of small and family farms from the sector and maintains jobs in the agricultural sector, while Pillar II funds ensure job creation in other areas such as tourism, food processing and other related sectors.

Members called upon the Member States to:

- give **young farmers long-term prospects** in order to address rural depopulation and to make full use of all the possibilities provided under the new CAP to support young farmers and new entrants to farming (especially those aged over 40);
- step up their support for small and medium-sized farms, in particular by making more use of the **redistributive payment**.

Members pointed out that the Member States have made extensive use of the option of **granting coupled aid** – which secures jobs in disadvantaged areas. They called on the Member States to increase the proportion of such aid for active farmers, to make it more flexible and to earmark more of it towards producing more plant proteins in the EU, which currently depends on imports from third countries for supply of this commodity.

The report noted that there is a need to implement the **environmental dimension of direct aid**.

Members considered that, given the high mortality rate among honey bees in several EU countries and the essential role they play in food security and the economy of many plant sectors, the Union should provide greater support for this sector by adopting a **genuine European strategy for bee repopulation**.

The report called for the EU to establish **prevention tools** along similar lines to the Milk Market Observatory in all major production sectors in order to **monitor markets**, which would help steer production and ensure a response to crises by means of flexible and responsive market management tools which would be activated when necessary.

Members considered that it is necessary to **simplify the implementation of rural development policy**, to adopt more coherent approaches, along the same lines as multi-funds, and to stop the Member States and the Commission imposing overly painstaking administrative and financial checks.

The Commission is called upon to submit a proposal for a **medium-term reform of the Common Agricultural Policy** which will be a response to the current scenario of prolonged crisis and to the serious impact on employment, particularly in rural areas, will limit red tape and the administrative burden for Europe's farmers.

Members also called for the establishment of binding rules on **fair payment** in the food supply chain between food producers, wholesalers and processors to ensure that farmers receive an appropriate share of the value added which is sufficient to enable them to practice sustainable farming.

Under the future CAP after 2020: the report emphasised that the CAP procedures must be simplified and must have sufficient funding maintained. Greater importance should be attached to instruments geared towards modernisation and investment.

The funds under the future CAP ought to provide more support to slow the loss of small and medium-sized farms. CAP direct payments should only be allocated to persons whose main area of activity is agriculture.

Members stated that **regaining control of the European market** must remain the primary principal action under the future CAP, before turning to and without neglecting markets outside the EU. In this regard, they considered that trade agreements such as TTIP, CETA and the EU-Mercosur Trade Agreement can pose a **real and significant threat** to European agriculture and employment markets.

Direct payments should remain a CAP instrument beyond 2020, in order to support and stabilise farm incomes and compensate for the costs arising from complying with high EU standards.

Against the backdrop of the recent animal epidemics, Members called for a significant increase in the amount spent on food and feed security, since the EUR 1.93 billion allocated for the current seven-year period is completely inadequate.

Lastly, the Commission and Member States should decrease administrative burden by **cutting red tape** and simplifying the CAP, as well as ensuring its cost-effective transposition.