2004 enlargement and agriculture: successful integration in the new member states for the common agriculture policy

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The committee unanimously adopted the own-initiative report drawn up by Karl Erik OLSSON (ELDR, S) on enlargement and agriculture. It described the Commission's proposals to phase in subsidies to farmers in the new Member States gradually over a ten-year period as a 'reasonable option' and deemed the Commission's proposals for integrating the new Member States into the CAP 'a realistic proposal for a negotiating package'. The committee said that applying the full levels of aid currently paid to farmers in the EU-15 to the new Member States as soon as they join would create an imbalance between agricultural and non-agricultural incomes in rural areas in the applicant countries. It also feared that 'an excessive influx of cash as a result of direct payments' would allow low productivity to persist and discourage investment. Instead, it believed priority should go to supporting rural development. The committee endorsed the Commission's proposal for a simplified system of area payments and believed the applicant countries should be allowed to make top-up national payments, under certain conditions. It was also keen to ensure that countries that had already reduced output levels whilst becoming competitive were not penalised, and wanted the special support for subsistence farming proposed by the Commission to be available to farmers seeking to diversify. On the sensitive issue of CAP reform, the committee called on the Commission to grasp the nettle and start talking to the applicant countries now about the direction of farm policy after 2007, whilst cautioning it against using the mid-term review of the Agenda 2000 agreement to make many changes. It said any pressure to repatriate the CAP must be 'strongly resisted'.