Agenda 2000: Review of the CAP and enlargement consequences

1997/2184(COS) - 18/06/1998 - Text adopted by Parliament, single reading

In adopting the report by Mr Arlindo CUNHA (PPE, P) on the reform of the Common Agricultural Policy as part of Agenda 2000, the European Parliament calls for negotiations on the reform of the CAP to take account of certain general principles to remedy existing shortcomings and establish a genuine European model for agriculture. The objective of the CAP must remain a common one. It must reflect an aspiration on the part of European agriculture to reconcile output, people and land based on a differentiated approach varying from one production sector to another and must not carry within it the germs if renationalization. A European model for agriculture must achieve compatibility between economic dimension and its environmental and social roles as well as its functions for regional planning and the preservation of basic regional products. To achieve these objectives it is necessary to achieve a balance between products, farmers and territory within a framework of competitiveness and multifunctionality. Under the new CAP: - competitiveness must not be achieved only by a drop in the price of raw materials but must to an increasing extent be achieved by supplying goods and services to meet the new demands of our society in terms of health standards, taste, local knowledge, added value and diversity;. - the concept of multifunctionality must be recognized; - quality and food safety must be a basic requirement, prices and markets policy must guarantee the existence of regulatory mechanisms by adapting them more equitably to the various types of production in particular correcting the imbalance between northern and Mediterranean products. It is also necessary to consider the introduction of replacement or supplementary mechanisms (crop and revenue insurance arrangements). In practical terms the European Parliament considers price reductions for cereals, milk and been and veal to be excessive and as opposed to the removal for intervention mechanisms for olive oil. It calls for a reform of the CMO for beef and veal. Compensatory payments and income support policy: the output and sale of agri-food products must remain the principal source of revenue for farmers. Income support policy must take into account compensation for possible price reductions but must also guarantee the presence of farmers in all rural areas. It is therefore necessary to take into consideration other tasks fulfilled by farmers in the field of regional planning and environment and landscape protection. Parliament calls for the introduction of the principle of digressive aid at Community level on the basis of size, environment factors, regional planning and the use of paid family members. Savings realized in this way must be used to achieve radical reductions in imbalances. The subsidiarity principle should be applied more intensively so as to adjust public subsidy too. Community criteria must however be clear precise and verifiable and the division of responsibility must be clear cut so as to avoid any trend towards the renationalization of the CAP. Grants must be structured in such a way as to assist the less competitive holdings without imposing unacceptable restrictions on farms which are more competitive on the world market. Parliament regrets that the situation of young farmers is not mentioned in AGENDA 2000. He calls for the simplification of compensatory aid in the dairy sector to guarantee full compensation for price reductions. It rejects the idea of single aid for all arable crops since this would make the production of oilseed crops uneconomic while the European Union has a large deficit in this sector. Finally, aid linked to land and the surfaces provided by farmers should be considerably greater than that of aid related to a specific product. It should be possible to grant them in a manner appropriate to the location. Rural development policy: its purpose is not to replace CAP but to strengthen supplement and balance it in order to achieve diversification and modernization. It considers in particular that greater efforts must be made to promote organic farming techniques and promote traditional and regional products. A new strategy should be adopted by the Community seeking to ensure that rural development policy becomes an integral part of agriculture. Parliament also calls for the ten points of the Cork declaration to be incorporated into the AGENDA 2000 proposals to create a truly integrated multisectoral rural policy which benefits the wider rural community and is not directed solely at the agricultural sector. This policy must by definition be drawn up and implemented on a decentralized basis. Parliament accordingly recommends that the CAP should be renamed the CARP

(Common Agricultural and Rural Policy) that its funding should be increased and used more efficiently and that specific measures should be adopted to assist young farmers. Food quality and safety: food safety should centre on three issues: health, agriculture and consumption. Agricultural protection must be present throughout the food chain and ACP objectives should be subordinate to those of the common food policy. Parliament accordingly calls for a system for a European agricultural system based on biodiversity, quality and the diversity of regional products. Growing free trade in agricultural products must not lead to a fall in environmental standards. In practical terms, Parliament calls for greater funding to be made for measures relating to denomination of origin, labelling, animal health protection and product certification. Production for non-food purposes: the outlines of such a policy must be clearly defined and geared towards the bio-fuels section. Ecological energy generation from biomass should be supported particularly since it reduces CO2 emissions. The forthcoming enlargement: despite objective difficulties, there is no reason to slacken efforts to enable the CEECs to regain lost ground. The European Parliament proposes that the transition should be divided into two distinct periods. The first one, during which rural development policy including structural modernization, would immediately be applied and legislative harmonization would be undertaken in the veterinary and plant health fields. And the second one, in which prices would be progressively harmonized and income support gradually introduced. Starting in 1999, the EU should support agri-environment programmes in the first applicant countries. Options and determining factors as regards the WTO: during the next round of negotiations it will be necessary to go on the offensive in support of the European model rather than falling into line with the American model leading to a spiral of falling prices and farm revenue. The vulnerability of this sector justifies the use of the principle of 'rural exception'. In order to prevent unfair competition, new common international rules must be drawn up incorporating clauses in such important areas as production costs or environmental and social standards, food safety and awareness of consumer sensitivity. Budget issues: Parliament supports the funding of all rural development measures in accordance with the current guideline. It considers that all agricultural and non-agricultural measures for the CEECs should be entered under a specific heading outside the guideline and for more effective utilization of resources and appropriate checks. Regional policy: Parliament regrets that the proposal for a new EAGGF regulation, which brings together for the first time all measures relating to rural development, has become too complex and is concerned by the fact that Objective 2 regions will suffer in relation to the industrial areas and calls for special measures to preserve the viability of rural areas and island communities. It is concerned at the possible reduction in the budget allocated to structural actions for agriculture, fisheries and aquaculture and calls for substantial funding to be provided for less-favoured areas and to assist young farmers. Supplementary measures should also be introduced (rural tourism and direct sales of produce by farms). Finally, Parliament reiterates its call for horizontal measures to support the rural environment accompanied by specific proposals linking agriculture with land use and economic development and at the crafts sector. Similarly, in the fisheries and aquaculture sectors, it calls for horizontal measures to maintain the FIFG and ensure the implementation of the CFP. Fisheries policy: Parliament notes with regret that initial proposals in this area would considerably reduce the zones eligible under Objective 2, excluding aquaculture or processing enterprises based outside coastal areas. It also wonders about the future of the FIFG.