The evolution of the agricultural incomes in the European Union

2002/2258(INI) - 11/02/2004 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based on the own-initiative report drafted by Georges GAROT (PES, France) on agricultural incomes in the EU. (Please see the summary of 22/01/04.) Parliament felt that market regulation and price stabilisation are a means of ensuring the coherence of the new CAP based on fixed and decoupled direct support for production; They are essential to the stability of incomes with a view to dealing with the farm price fluctuations which may result from changes in weather conditions, world price trends and supply crises. It is essential, in this connection, that guaranteed and fixed-ceiling institutional prices within certain production volumes based on the needs of the internal market act as a CAP-wide safety net in future. Instruments to regulate supply should be maintained and even extended in a flexible manner. All the available instruments should be used to respond to fluctuations in farm incomes as a result of climatic conditions or disasters, as is the case for example in Australia, the United States and Canada. In order to act as a safety net, these guaranteed institutional prices should be set on the basis of production costs. The level of these prices should avoid providing an attractive outlet leading producers away from the market, and being used as an argument for bringing market prices down within specific sectors. Parliament also felt that the establishment of sectoral contracts should be encouraged in order to promote product quality and ensure a fairer distribution of added value among partners. Parliament went on to state that the transformation of intervention schemes into mere safety nets is only possible and sustainable if there is an adequate external protection designed to safeguard the three components (economic, social and environmental) of the European agricultural model. Crisis management systems should be established, which may be implemented as a last resort whenever market prices remain below safety-net levels for significant periods.