

Voluntary modulation of direct payments under the common agricultural policy (CAP)

2006/0083(CNS) - 03/10/2006

The committee adopted the report by Lutz GOEPEL (EPP-ED, DE) rejecting - under the consultation procedure - the proposed regulation laying down rules for voluntary modulation of direct payments to farmers under the CAP. Under this scheme, Member States would be able to cut up to 20% of all direct payments and channel the money into rural development programmes instead.

MEPs were opposed to the proposal on the grounds that it would:

- jeopardise the survival of many farms;
- result in large national and regional disparities in the calculation of Community income support, thereby leading to market distortions;
- result in a renationalisation of agricultural policy;
- violate Parliament's rights of participation: under voluntary modulation, Member States could unilaterally, and without the comprehensive involvement of Parliament, increase expenditure in the field of rural development, which is classified as non-compulsory expenditure (over which Parliament has greatest powers under the budgetary procedure). Such a far-reaching change in the budget for non-compulsory expenditure without the involvement of Parliament would be a clear violation of the spirit and the letter of the Interinstitutional Agreement on budgetary discipline and sound financial management.