Basic information

1997/2184(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Agenda 2000: Review of the CAP and enlargement consequences **Subject** 3.10 Agricultural policy and economies	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
AGRI Agriculture and Rural Development	CUNHA Arlindo (PPE)	26/11/1997

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs, Security and Defense Policy	The committee decided not to give an opinion.	
BUDG Budgets	COLOM I NAVAL Joan (PSE)	16/07/1997
REGI Regional Policy	PINEL Eric (I-EDN)	18/11/1997
PECH Fisheries	SOUCHET Dominique F.C. (I-EDN)	17/11/1997

Council of the European Union

Council configuration	Meetings	Date
Agriculture and Fisheries	2034	1997-10-20
Agriculture and Fisheries	1963	1996-11-18
Agriculture and Fisheries	2045	1997-11-17

Key events

Date	Event	Reference	Summary
18/11/1996	Debate in Council		Summary
15/07/1997	Non-legislative basic document published	COM(1997)2000	Summary

20/10/1997	Debate in Council		
22/10/1997	Committee referral announced in Parliament		
17/11/1997	Debate in Council		
02/06/1998	Vote in committee		Summary
02/06/1998	Committee report tabled for plenary	A4-0219/1998	
16/06/1998	Debate in Parliament		
18/06/1998	End of procedure in Parliament		
06/07/1998	Final act published in Official Journal		

Technical information	
Procedure reference	1997/2184(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/4/09174

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A4-0219/1998 OJ C 210 06.07.1998, p. 0008	02/06/1998	
Text adopted by Parliament, single reading		T4-0359/1998 OJ C 210 06.07.1998, p. 0167-0180	18/06/1998	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(1997)2000	15/07/1997	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES1396/1997 OJ C 073 09.03.1998, p. 0071	10/12/1997	Summary

Agenda 2000: Review of the CAP and enlargement consequences

1997/2184(COS) - 10/12/1997 - Economic and Social Committee: opinion, report

The Committee has examined with interest the agricultural chapter of Agenda 2000. It regards it as an important basis for discussion of the future direction of CAP which, in the next ten years, will have to face problems stemming from the increase in the world's population, the accession of the CEEC, the establishment of a free trade area with the countries of the Mediterranean basin and the resumption of WTO negotiations. The ESC nevertheless wonders whether the proposed instruments under Agenda 2000 will be sufficiently effective to ensure that between now and the year 2006, European agriculture has the necessary competitiveness to take advantage of the positive trends on world markets. The ESC regrets that the Agenda 2000 objectives do not include equilibrium between production and regions in terms of land-use, the promotion of youth employment and the protection of wage-earning jobs in agriculture. An analysis of the sectoral proposals set out under Agenda 2000 has prompted the section to conclude that the proposals designed to reduce cereal and beef prices, abolish aid for silage maize, and introduce new measures for oilseeds and protein crops, go too far. As far as milk is concerned, Agenda 2000 does not eliminate the uncertainty currently facing producers about the future of this sector. The Committee regrets once more that the absence of proposals on the reform of common market regimes for Mediterranean crops and urges that particular attention be paid to farming in northern areas. As far as enlargement is concerned, the ESC would repeat the conviction already expressed by the Committee in previous opinions, namely that it will have a limited impact on CAP - at least until the year 2006. The CEEC will first and foremost require substantial assistance from Structural Funds in order to modernize their agriculture during the transitional periods needed to enable them to enter CAP and compete with EU-15 enterprises. The Committee finally reserves its position for the moment on the introduction of ceilings and the differentiation of aid until the Commission has come up with concrete proposals. The same is true in respect of the idea that aid should be made dependent on the application of environmental standards. The Committee warmly welcomes the proposals on the simplification of structural policy and the new rural development policy insofar as they are designed to be more efficient and less bureaucratic. The rural development policy nevertheless requires a more comprehensive approach which would take proper account of the many and varied possibilities of the Union's rural environment as well as the experience acquired in applying the European programmes (LEADER, ADAPT, etc.).

Agenda 2000: Review of the CAP and enlargement consequences

1997/2184(COS) - 18/11/1996

The Council listened to a presentation from Commissioner FISCHLER on the conclusions of the European Conference on Rural Development, which was held in Cork on 7-9 November 1996. The Commissioner had indicated that he was in a position to share these conclusions and had signalled his intention to present them to other Community institutions (Parliament, the Economic and Social Committee and the Committee of the Regions) as well as to the Commission itself. In the course of the debate certain delegations called for the conclusions to be examined in much more detail. The President indicated that he intended incorporating these conclusions into the preparatory work for the next European Council in Dublin.

Agenda 2000: Review of the CAP and enlargement consequences

1997/2184(COS) - 15/07/1997 - Non-legislative basic document

OBJECTIVE: AGENDA 2000 - COMMON AGRICULTURAL POLICY: to present the consequences of enlargement on the Community common agricultural policy (CAP) and the reforms needed. CONTENT: the prospect of enlargement means that a new common agricultural policy needs to be implemented which is more in keeping with the demands of the world market and the Community's environmental and social requirements. Following the reform of the CAP in 1992, per capita agricultural income rose (+ 4,5% per annum from 1992 to 1996) but the system as a whole remained complicated and incoherent. The CAP is a set of miscellaneous juxtaposed policies (market policy, structural policy and environmental policy) which is too inflexible to cope with international competition. Having ascertained this and the main challenges which the Community will face in coming years (serious price differentials between the European Union and its international competitors, prospects for multilateral negotiations with more deregulation, the arrival of millions of consumers from eastern Europe with a much lower purchasing power than that of the European Union, doubling of the agricultural area and labour in the Union, increased consumer demands with respect to foodstuffs and environmental protection, fall in the number of Community farmers etc.), the Commission proposes a series of measures, the main objective of which is to make agriculture in the Community more competitive. The proposed reform mainly continues and extends the 1992 reform by continuing to replace measures to maintain prices with the direct aid system and by accompanying this process with rural development measures which are more environmentally friendly and more in line with the economic and tourist development of the rural society. Direct aid will be set at a suitable level but will avoid overcompensation. Apart from the "competitiveness" aspect, the Commission intends to make the system more transparent and more efficient by radically simplifying the legislation applicable and decentralizing the implementation of measures. However, decentralization should not result in the renationalization of agricultural policies. The main priority is to set up suitable official support which is economically sound and socially acceptable. Measures relate in particular to the following sectors: - cereals, with a 20% reduction in the intervention price, capped once (in the year 2000), acreage aid no longer linked to cultivation and a compulsory fallowing reference rate of 0%; - beef and veal, with measures to take account both of the BSE crisis and the stabilization of prices on the market (gradual reduction in market aid of approximately 30%), - milk products, by maintaining the quota system and gradually reducing support prices by an average of 10%. Provision is also made to reform a number of Mediterranean products (wine, olive oil, tobacco etc.) and the direct aid system: all income aid granted under the common market organizations will be capped but will differ from one Member States to another in accordance with jointly agreed rules. Finally, measures are also expected in the structural and agro-environmental fields by reintegrating the rural aid policy into a new integrated cohesion and development policy and making payment of aid dependent upon the application of environmental standards.

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.