Basic information

2002/2059(INI) INI - Own-initiative procedure	Procedure completed
2004 enlargement and agriculture: successful integration in the new member states for the common agriculture policy **Subject** 8.20.12 Enlargement's agricultural point of view	

Key players

European Parliament	**Committee responsible**	**Rapporteur**	**Appointed**
	AGRI Agriculture and Rural Development	OLSSON Karl Erik (ELDR)	19/02/2002

Council of the European Union	**Council configuration**	**Meetings**	**Date**
	General Affairs	2437	2002-06-17

Key events

Date	Event	Reference	Summary
11/04/2002	Committee referral announced in Parliament		
27/05/2002	Vote in committee		Summary
27/05/2002	Committee report tabled for plenary	A5-0200/2002	
12/06/2002	Debate in Parliament		
13/06/2002	Decision by Parliament	T5-0322/2002	Summary
13/06/2002	End of procedure in Parliament		
17/06/2002	Debate in Council		
30/10/2003	Final act published in Official Journal		

Technical information

Procedure reference	2002/2059(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed

Committee dossier	AGRI/5/16121

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0200/2002	27/05/2002	
Text adopted by Parliament, single reading		T5-0322/2002 OJ C 261 30.10.2003, p. 0389-0572 E	13/06/2002	Summary

European Commission

Document type	Reference	Date	Summary
Document attached to the procedure	SEC(2002)0095	30/01/2002	Summary

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

2002/2059(INI) - 30/01/2002 - Document attached to the procedure

The European Commission set out its strategy for dealing with the EU's enlargement negotiations on agriculture: direct payments to farmers and the level of production quotas for the new member countries once they join the EU in 2004. To ease the problems of transition in rural areas, and to encourage the necessary restructuring of the new member states' agricultural sectors, the Commission proposes to beef up financial support through an enhanced rural development policy. Given that immediate introduction of 100% direct payments would serve to freeze existing structures and to hamper modernisation, the Commission favours a gradual introduction of direct payments over a transition period of ten years: for 2004, 2005, 2006 direct payments equivalent to 25, 30, 35%, reaching 100% in 2013. According to the proposal, this aid could also be topped up with national funds. The new member states would however have full and immediate access to Common Agricultural Policy (CAP) market measures, such as cereal intervention. In order to ensure simplicity and to ensure adequate controls from the first day, the Commission has proposed a simplified direct payments system for the first three years, with the option of to prolongation for two more years. The new member states should have the option of granting direct payments in the form of an area payment, de-coupled from production and paid per hectare. The Commission also proposes to determine production quotas for sugar and milk on the basis of average production over the years 1995 to 1999. Today's strategy is fully compatible with the expenditure ceilings for enlargement agreed by the Berlin European Council in 1999 and with the EU's WTO commitments, including the EU's agricultural negotiating position for the WTO Doha Development Agenda. The Commission's approach fully respects the financial framework for enlargement, as decided by the Heads of State and Governments in Berlin. In order to tackle to structural problems in the rural areas of the new member states, the Commission advocates an enhanced rural development strategy, broad in scope and in comparison to the funds available for the existing EU countries beefed up in money terms. From Day 1 upon accession, a range of rural development measures would be co-financed at a maximum rate of 80% by the EU: - a special measure to make semi-subsistence farms viable : in the candidate countries many "semi-subsistence farms" persist, which produce for own consumption, but market the larger part of their production. To help to turn them into commercially viable units a specific measure for semi-subsistence farms is proposed. This measure should take the form of a flat rate aid of 750 Euros maximum. Payment of the aid should be conditional on submitting a business plan demonstrating the future economic viability of the enterprise. The temporary income support would serve to alleviate cash flow constraints and household income difficulties as further restructuring is undertaken to ensure the future of the holding. - rural development measures eligible (max. 80% EU financed) : early retirement of farmers; support for less favoured areas or areas with environmental restrictions; agri-environmental programmes; afforestation of agricultural land; specific measures for semi-subsistence farms; setting up of producer groups;technical assistance; - additional rural development measures will be financed from the Structural Funds (EAGGF Guidance sector). with a gradual increase of direct payments (the Commission's approach is to set the starting level at which direct payments would be granted for 2004 at a rate equivalent to 25% of the present system, rising to 30% in 2005 and 35% in 2006. In a second step after 2006, direct payments would be increased by percentage steps in such a way as to ensure that the new Member States in 2013 reach the support level then applicable); - the possibility for national top ups : where the national aid granted prior to accession was higher than the direct CAP payments under the phasing-in approach, this could lead to economic problems for the farmers concerned. Moreover, accession to the EU would be made responsible for a reduction in agricultural income support. To avoid these undesirable effects the new Member States should be given the option of complementing direct aid up to the level applicable prior to accession, provided that the total support does not exceed the level of direct payments in the existing EU member states. Such national top-ups would need to be approved by the Commission. The document also provides for the simplified implementation of direct payments transitional and optional (this would be under the simplified system, the new Member States should have the option to grant direct payments during a limited period in the form of a de-coupled area payment applied to the whole agricultural area. On the basis of its total envelope of direct aids

and its utilised agricultural area, an average area payment would be calculated for each country. All types of agricultural land would be eligible for the payment. The minimum size of eligible area would be set at 0.3 ha. The approach should be optional and transitional. The simplified scheme would be available for three years, renewable twice by one year. As a general principle, the Commission proposes to determine agricultural production supply management instruments, such as production quotas on the basis of most recent historical reference periods for which data are available, from 1995 to 1999. As for milk quotas, the Commission proposes to use production figures of the years 1997-1999. Where appropriate, it can be considered to take account of exceptional conditions such as natural disasters or significant market disturbances.

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

2002/2059(INI) - 13/06/2002 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based on its own-initiative report drafted by Karl Erik OLSSON (ELDR, Sweden) on enlargement and agriculture. (Please refer to the document dated 27/05/02.) Parliament welcomed the Commission's communication and called it a realistic proposal for a negotiating package. On the question of direct payments, it pointed out that an excessive influx of cash could result in low productivity with existing structures being maintained, discourage investment in production or alternative activities and lead to capital formation in the value of property, which in turn results in higher costs and so does not benefit agriculture. When laying down the reference production levels eligible for aid and production quotas for the applicant countries, the Commission should ensure that those countries own levels of self-sufficiency in products subject to quotas does not fail, so that the imposition of quotas does not result in an increase in the net imports of those countries and so that they may have their quotas adjusted in the event of increased domestic consumption. On rural policy, Parliament felt that the structural changes in the rural areas of the CEECs must be supported and alternative employment opportunities must be promoted in order to guarantee the integrity of the countryside and to prevent depopulation. It should be possible to use the special form of support for subsistence farming as temporary income support for farmers who wish to switch to another form of rural enteprise and not confine it to those wishing to develop farming business. The Commission should draw up and implement rural development measures in the applicant countries on the basis of the Leader+ programme. Finally, reform of the CAP must ensure that the objective of agriculture based on the European model is achieved and must guarantee safe and healthy food, a viable countryside and respect for animals and nature.