Basic information

2002/2598(RSP) RSP - Resolutions on topical subjects	Procedure completed
Resolution on the mid-term review of the common agricultural policy CAP **Subject** 3.10 Agricultural policy and economies	

Key players

Council of the European Union

Council configuration	Meetings	Date
Agriculture and Fisheries	2468	2002-11-28

Key events

Date	Event	Reference	Summary
06/11/2002	Debate in Parliament		
07/11/2002	Decision by Parliament	T5-0532/2002	Summary
07/11/2002	End of procedure in Parliament		
07/11/2002	Final act published in Official Journal		
28/11/2002	Debate in Council		Summary

Technical information

Procedure reference	2002/2598(RSP)
Procedure type	RSP - Resolutions on topical subjects
Procedure subtype	Debate or resolution on oral question/interpellation
Legal basis	Rules of Procedure EP 142-p5
Stage reached in procedure	Procedure completed

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Oral question/interpellation by Parliament		B5-0493/2002	06/11/2002	
Motion for a resolution		B5-0563/2002	06/11/2002	
		T5-0532/2002		

Text adopted by Parliament, topical subjects		OJ C 016 22.01.2004, p. 0016-0093 E	07/11/2002	Summary

Resolution on the mid-term review of the common agricultural policy CAP

2002/2598(RSP) - 28/11/2002

The Council held a policy debate on three horizontal items of the Communication from the Commission to the Council and the European Parliament on the mid-term review of the Common Agricultural Policy, namely decoupling, dynamic modulation and cross-compliance. After four debates on the mid-term review held under the Danish Presidency, delegations pursued a thorough examination of these items on the basis of a presidency questionnaire. The Council and the Commission took note of the range of views expressed by delegations at this stage of the process. The Commission, having heard this debate, would now prepare its legislative proposals. The approach adopted by the Commission on these three topics could be summarised as follows: - decoupling: the Commission envisaged a single, direct payment per holding, decoupled from production, paid to farmers having a past reference period of production. Beginning in 2004, its scope would cover existing and new direct payments for cereals, oilseeds, protein crops, grain legumes, starch potatoes, beef, sheep, rice, durum wheat and dried fodder; - dynamic modulation: in its Communication, the Commission suggested that dynamic modulation would be obligatory in all Member States from 2004, meaning that all direct payments to holdings would be reduced progressively in annual steps of 3% until the total reduction reached 20%. Under a so-called ‘franchise’ system, holdings receiving less than EUR 5 000 of direct payments per annum would be excluded from the reduction. After the application of the franchise and modulation, the maximum level of direct payments for a holding would be EUR 300 000 (‘capping’); - cross-compliance: the Commission envisaged that the full award of direct payments would be linked with compliance, on the entire holding, with regulatory standards on environment, animal health and welfare, food safety and occupational safety for farm workers.

Resolution on the mid-term review of the common agricultural policy CAP

2002/2598(RSP) - 07/11/2002 - Text adopted by Parliament, topical subjects

The European Parliament adopted a resolution on the mid-term review of the CAP by 315 votes for, 106 against, with 62 abstentions. It considered that a reform of the common agricultural policy (CAP) is necessary. In the enlarged Union, the European agricultural model, as a multifunctional form of agriculture, must be developed and protected against unfair external competition. In particular, the objectives of preventive consumer protection and fair incomes for farmers, as well as those of employment, protection of the environment, public health and animal welfare, should be more precisely defined. Multilateral agreements, including the non-trade-related aspects (SPS, TBT, TRIPS), must be renegotiated. Parliament supported the principle of introducing a new model of support based on a system of income support decoupled from production, with specific multifunctional supplements. It stressed that the transformation of the intervention schemes into outright safety nets is only possible if an adequate form of external protection is in place to secure the stability of a multifunctional European agricultural model. Aid that is partially decoupled from production should be paid to farmers in such a way that it does not result in an internal reduction of production prices by the recipients. Parliament went on to endorse the principle of conditionality in relation to the environment, food safety, and health and animal welfare for the payment of first-pillar aid. It accepted the principle of compulsory modulation but calls for flexible application, which took account of the differences between producers, sectors and areas. There should be tax-free allowances, which can be administered on a flexible basis according to income and employment. On rural development, Parliament asked for a special effort to preserve traditional family farms and support young farmers, particularly in less-favoured areas and the outermost regions, and to strengthen rural infrastructure. The Commission's proposals cannot be implemented under the current interinstitutional agreement. The financial perspective needs to be revised in order to re-allocate some of the funds from the first to the second pillar. Parliament stated that it should be given full responsibility for the budget. It called for the creation of annual reserves for emergencies, and rejected the systematic payment of national aid as it is contrary to the solidarity principle and creates further disparities between the regions. On revision of the CAP, Parliament considered, in view of the major structural differences between the applicant countries and the Member States and between the applicant countries themselves, that greater simplification be undertaken in the management of support for farms and rural infrastructure. It is imperative to introduce a simplified basic premium having a positive impact on income primarily for the benefit of small family farms in order to maintain jobs and income in the countryside. In relation to the WTO, Parliament noted that the USA's new internal support measures run counter to the WTO's call to phase out production-linked support. A partially decoupled aid scheme is workable only in conjunction with a special form of external protection and internal regulation of markets, if efforts to protect work, the environment and quality in a multifunctionalEuropean agriculture are to be successful.