



Basic information	
<b>2003/0007(CNS)</b>  CNS - Consultation procedure Regulation	Procedure completed
Support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF)  Amending Regulation (EC) No 1257/1999 <a href="#">1998/0102(CNS)</a>  <b>Subject</b>  3.10.01.02 Rural development, European Agricultural Fund for Rural Development (EAFRD) 3.10.13 European Agricultural Guidance and Guarantee Fund, EAGGF and EAGF	

Key players			
European Parliament	<b>Committee responsible</b>		<b>Rapporteur</b>
	<b>Appointed</b>		
	<b>AGRI</b> Agriculture and Rural Development	<a href="#">OLSSON Karl Erik (ELDR)</a>	23/01/2003
	<b>Committee for opinion</b>		<b>Rapporteur for opinion</b>
	<b>Appointed</b>		
	<b>BUDG</b> Budgets	<a href="#">HERRANZ GARCÍA Esther (PPE-DE)</a>	19/02/2003
	<b>ENVI</b> Environment, Public Health, Consumer Policy	The committee decided not to give an opinion.	
	<b>RETT</b> Regional Policy, Transport and Tourism	<a href="#">COLLINS Gerard (UEN)</a>	18/02/2003
Council of the European Union	<b>Council configuration</b>	<b>Meetings</b>	<b>Date</b>
	Agriculture and Fisheries	2494	2003-03-17
	Agriculture and Fisheries	2528	2003-09-29
	Agriculture and Fisheries	2481	2003-01-27
	Agriculture and Fisheries	2516	2003-06-25
European Commission	<b>Commission DG</b>		<b>Commissioner</b>
	Agriculture and Rural Development		

Key events			
Date	Event	Reference	Summary
21/01/2003	Legislative proposal published	COM(2003)0023 	<a href="#">Summary</a>
27/01/2003	Debate in Council		
13/02/2003	Committee referral announced in Parliament		
17/03/2003	Debate in Council		
20/05/2003	Vote in committee		<a href="#">Summary</a>
20/05/2003	Committee report tabled for plenary, 1st reading/single reading	A5-0182/2003	
03/06/2003	Debate in Parliament		
05/06/2003	Decision by Parliament	T5-0257/2003	<a href="#">Summary</a>
29/09/2003	Act adopted by Council after consultation of Parliament		
29/09/2003	End of procedure in Parliament		
21/10/2003	Final act published in Official Journal		

Technical information	
Procedure reference	2003/0007(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation (EC) No 1257/1999 <a href="#">1998/0102(CNS)</a>
Legal basis	EC Treaty (after Amsterdam) EC 037 EC Treaty (after Amsterdam) EC 036
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/5/19131

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A5-0182/2003</a>	20/05/2003	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T5-0257/2003</a> OJ C 068 18.03.2004, p. 0331-0531 E	05/06/2003	<a href="#">Summary</a>
European Commission				
Document type	Reference		Date	Summary
	<a href="#">COM(2003)0023</a>			

Legislative proposal		21/01/2003	<a href="#">Summary</a>	
Other institutions and bodies				
Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	<a href="#">CES0591/2003</a> <a href="#">OJ C 208 03.09.2003, p. 0064-0071</a>	14/05/2003	
CofR	Committee of the Regions: opinion	<a href="#">CDR0066/2003</a> <a href="#">OJ C 256 24.10.2003, p. 0018-0023</a>	02/07/2003	

Additional information		
Source	Document	Date
European Commission	<a href="#">EUR-Lex</a>	

Final act
<a href="#">Regulation 2003/1783</a> <a href="#">OJ L 270 21.10.2003, p. 0070-0077</a> <span style="float: right;"><a href="#">Summary</a></span>

## Support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF)

2003/0007(CNS) - 29/09/2003 - Final act

PURPOSE : to consolidate and support rural development, to amend Regulation 1257/1999/EC and to repeal Regulation 2826/2000/EC.

LEGISLATIVE ACT : Council Regulation 1783/2003/EC amending Regulation 1257/1999/EC on support for rural development from the European Agricultural and Guarantee Fund (EAGGF). CONTENT : in the context of the reform of the common agricultural policy, the Council has formally adopted the seven Regulations on reform of the Common Agricultural Policy, without debate and by a qualified majority, the Portuguese delegation voting against this Regulation ("horizontal" Regulation). Statements by the Council, Belgium, France, the Netherlands, Luxembourg, Austria, Finland, the United Kingdom, Portugal (giving reasons for voting against) and the Commission are appended to the legal texts adopted. Initially based on principles (Articles 32 to 38 of the Treaty) intended to ensure self-sufficiency in food for the European Community by increasing agricultural productivity, to guarantee a high income to farmers, to stabilise markets and to provide agricultural products at a reasonable price to consumers, the reformed CAP henceforth introduces a new key element, a pillar of the reform, which is the partial decoupling of production-related aid, based on a reference period (2000-2002); it now makes payment of such aid conditional on compliance with rules on the environment, animal welfare, hygiene standards and preservation of the countryside. A single farm payment is accordingly introduced with effect from 1 January 2005, with the option of transitionally maintaining fully coupled aid until 31 December 2006. It develops the second pillar of the CAP relating to rural development through increases in horizontal aid, separate from production activity. The main elements of the CAP reform are as follows: - a single farm payment for EU farmers, independent from production; limited coupled elements may be maintained to avoid abandonment of production, - this payment will be linked to the respect of environmental, food safety, animal and plant health and animal welfare standards, as well as the requirement to keep all farmland in good agricultural and environmental condition ("cross-compliance"), - a strengthened rural development policy with more EU money, new measures to promote the environment, quality and animal welfare and to help farmers to meet EU production standards starting in 2005, - a reduction in direct payments ("modulation") for bigger farms to finance the new rural development policy, - a mechanism for financial discipline to ensure that the farm budget fixed until 2013 is not overshot, - revisions to the market policy of the CAP: - asymmetric price cuts in the milk sector: The intervention price for butter will be reduced by 25% over four years, which is an additional price cut of 10% compared to Agenda 2000, for skimmed milk powder a 15% reduction over three years, as agreed in Agenda 2000, is retained, - reduction of the monthly increments in the cereals sector by half, the current intervention price will be maintained, - reforms in the rice, durum wheat, nuts, starch potatoes and dried fodder sectors. The reformed CAP also develops the second pillar of the CAP relating to rural development through increases in horizontal aid, separate from production activity. Intervention prices (e.g. in the durum wheat sector, the rice sector) and Community support (e.g. in the nuts sector) are reduced, with partial compensation provided for these reductions or with incentives to quality production. Part of Community aid nevertheless remains coupled to production, in particular in the cereals sector, oilseeds and protein crops (25% coupled), potato starch (60% of aid), durum wheat (40% of supplementary aid per hectare) and

the beef and veal sector (several options are proposed). The financial framework of the CAP was set at the European Council on 24 and 25 October 2002. The changes which took place between the political agreement in June and formal adoption relate mainly to the milk sector, with regard to which the Commission states that, although the limit of 70 000 tonnes for butter intervention would be reached during the intervention period, i.e. between 1 March and 31 August 2004, intervention would continue. Concerning the milk levy applied in cases of exceeding the national reference amount, it is expected that the Member States will repay 99% of the amount due to the Community (EAGGF) instead of 99,5%. With regard to the horizontal Regulation, the impossibility of making fruit and vegetable producers eligible for the decoupled payment is tempered by a derogation taking account of production during the reference period. ENTRY INTO FORCE : 28 October 2003.

## **Support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF)**

2003/0007(CNS) - 21/01/2003 - Legislative proposal

PURPOSE : to consolidate and support rural development and amend Regulation 1257/1999/EC and repeal Regulation 2826/2000/EC.

CONTENT : The Commission proposes to widen the scope of Community rural development support by introducing new measures. These are all accompanying measures and will be financed by the EAGGF-Guarantee Section throughout the EU territory. They are all targeted primarily at farmer beneficiaries. It will be for Member States and regions to decide if they wish to take up these measures within their rural development programmes.

The new measures will comprise: i) introduction of a new Chapter in Regulation 1257/1999/EC entitled 'Food Quality' comprising two measures: - incentive payments will be permitted for farmers who on a voluntary basis participate in Community or recognised national schemes designed to improve the quality of agricultural products and the production process used, and give assurances to consumers on these issues. Such support will be payable annually for a maximum 5-year period, and up to a maximum of EUR 1 500 per holding in a given year. - support for producer groups for activities intended to inform consumers about and promote the products produced under quality schemes supported under the above measure. Public support will be permitted up to a maximum of 70% of eligible project costs. ii) introduction of a new Chapter entitled 'Meeting Standards', comprising two measures: - Member States may offer temporary and degressive support to help their farmers to adapt to the introduction of demanding standards based on Community legislation concerning the environment, public, animal and plant health, animal welfare and occupational safety. Aid levels must be modulated to take account of the level of additional obligations and operating costs for farmers associated with the introduction of a particular standard. Aid will be payable on a flat-rate basis, and degressive for a maximum period of 5 years. It will be subject to a ceiling of maximum EUR 10 000 per holding in a given year. In no case will aid be payable where the non-application of standards is due to the non-respect by an individual farmer of standards already included in national legislation. - support for farmers to help them with the costs of using farm advisory services. Farmers may benefit up to a maximum of 80% of the cost of such services the first time they are used, subject to a ceiling of EUR 1 500. iii) introduction within the current agri-environment Chapter of Regulation 1257/1999 of support to farmers who enter into commitments for at least 5 years to improve the welfare of their farm animals and which go beyond usual good animal husbandry practice. Support will be payable annually on the basis of the additional costs and income foregone arising from such commitments, with annual payment levels of maximum EUR 500 per livestock unit. Other amendments concern a clarification of the scope of the Forestry and Training Chapters and the adding within the Chapter on the adaptation and development of rural areas (the so-called Article 33 measures) a new indent to cover the management costs associated with local partnership groups.

## **Support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF)**

2003/0007(CNS) - 05/06/2003 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted the resolution drafted by Karl Erik OLSSON (ELDR, Sweden) by 372 votes to 18 with 20 abstentions and made several amendments to the Commission's proposal. (Please see the summary dated 20/05/03.) Parliament said that the CAP must be made genuinely multifunctional by diverting a large part of agricultural funding from the first pillar (market support) to the second pillar (rural development, especially social and environmental needs). Parliament felt that a strong, effective and comprehensive rural development policy accompanied by adequate funding is a prerequisite to enable the EU to ensure satisfactory development in less-favoured areas facing structural difficulties or with low yields while at the same time enhancing the overall competitiveness of EU agriculture. Especially fragile regions and environmentally sensitive areas must be given more support. This should take the form, for example, of encouragement for extensive grazing in grassland locations, encouragement for farming crops that promote biodiversity and counteract soil erosion in the Mediterranean region, etc., with higher co-financing rates (up to 80%) than in more favoured locations. Parliament added that the second pillar must include measures designed to encourage the establishment of economic organisations controlled by agricultural producers, with a view to ensuring that these organisations achieve a certain size and coping with the challenge posed by the opening-up of international markets and the concentration of distribution. Such support is particularly appropriate in the run-up to enlargement, given that, in the future Member States, organised producers control only a minority of agricultural production. On the question of granting special benefits to young farmers, these must facilitate not just their setting up in business but also the subsequent structural adjustment of their farms. Furthermore, intergenerational transfers must be safeguarded.