Basic information

2015/2226(INI) INI - Own-initiative procedure	Procedure completed
How can the CAP improve job creation in rural areas? **Subject** 3.10 Agricultural policy and economies 3.10.01.02 Rural development, European Agricultural Fund for Rural Development (EAFRD)	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
AGRI Agriculture and Rural Development	ANDRIEU Eric (S&D)	03/09/2015
	Shadow rapporteur KALINOWSKI Jarosław (PPE) GIRLING Julie (ECR) MÜLLER Ulrike (ALDE) CARTHY Matt (GUE/NGL) ROPĖ Bronis (Verts/ALE) ZULLO Marco (EFDD) LOISEAU Philippe (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	LÓPEZ BERMEJO Paloma (GUE/NGL)	19/10/2015
FEMM Women's Rights and Gender Equality	KÖSTINGER Elisabeth (PPE)	09/09/2015

European Commission

Commission DG	Commissioner
Agriculture and Rural Development	HOGAN Phil

Key events

Date	Event	Reference	Summary

10/09/2015	Committee referral announced in Parliament		
29/09/2016	Vote in committee		
10/10/2016	Committee report tabled for plenary	A8-0285/2016	Summary
27/10/2016	Decision by Parliament	T8-0427/2016	Summary
27/10/2016	Results of vote in Parliament		
27/10/2016	Debate in Parliament		
27/10/2016	End of procedure in Parliament		

Technical information	
Procedure reference	2015/2226(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/8/04371

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE580.547	06/04/2016	
Amendments tabled in committee		PE582.437	24/05/2016	
Committee opinion	EMPL	PE577.059	26/05/2016	
Committee opinion	FEMM	PE582.229	12/07/2016	
Committee report tabled for plenary, single reading		A8-0285/2016	10/10/2016	Summary
Text adopted by Parliament, single reading		T8-0427/2016	27/10/2016	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2017)54	29/03/2017	

How can the CAP improve job creation in rural areas?

2015/2226(INI) - 27/10/2016 - Text adopted by Parliament, single reading

The European Parliament adopted by 237 votes to 201 with 67 abstentions, a resolution on how the CAP can improve job creation in rural areas.

Members highlighted the fact that rural areas represent more than 77% of EU territory and that many jobs in those areas depend on Members recalled that **rural areas represent more than 77 % of EU territory**, but nowadays employs only a fraction of the working population. Many rural areas **face a series of challenges** such as low income, negative population growth, a lack of jobs and a high rate of unemployment, slow development in the tertiary sector, a lack of processing capacity for food products, low skills and limited capital.

Whilst the economic crisis hit all parts of Europe, **none were more affected than rural areas**. In that connection, the CAP must be made more effective and its legitimacy reaffirmed as one of the principal tools for EU action aimed at the retention and creation of employment and competitiveness in rural areas.

Parliament made the following recommendations:

Under the current CAP: the resolution noted that it is of crucial importance to maintain the two pillars of the CAP. Pillar I prevents out-migration of small and family farms from the sector and maintains jobs in the agricultural sector, while Pillar II funds ensure job creation in other areas such as tourism, food processing and other related sectors.

Members called upon the Member States to:

- give **young farmers long-term prospects** in order to address rural depopulation by making full use of all the support measures for young farmers and new entrants to farming (especially those aged over 40);
- step up their support for small and medium-sized farms, in particular by making more use of the **redistributive payment**.

The resolution called for a better distribution of CAP payments **towards small farmers**, as well as greater account taken of **territories with geographical handicaps** (such as mountain areas, overseas territories, the most outlying areas and sensitive natural areas).

Members pointed out that the Member States have made extensive use of the option of **granting coupled aid** – which secures jobs in disadvantaged areas. They called on the Member States to increase the proportion of such aid for active farmers, to make it more flexible and to earmark more of it towards producing more plant proteins in the EU, which currently depends on imports from third countries for supply of this commodity. They also noted that there is a need to implement the **environmental dimension of direct aid**.

Parliament also recommended:

- adopting a **genuine European strategy for bee repopulation**, given the high mortality rate among honey bees in several EU countries and the essential role they play in food security and the economy of many plant sectors;
- developing **more rapid and effective intervention systems** which can prevent the most negative effects;
- regularly adjusting **intervention prices** in line with trends in cost prices so as to have a direct impact on producers' income and the perpetuation of their activities, as well as on employment;
- establishing **prevention tools** in all major production sectors in order to monitor markets, which would help steer production and ensure a response to crises by means of flexible and responsive market management tools which would be activated when necessary;
- developing **short supply chains** linking farmers to local producers since quality schemes, geographical indications and organic farming represent an opportunity to develop the agri-food sector and potentially create rural-based jobs;
- establishing binding rules on **fair payment** in the food supply chain between food producers, wholesalers and processors to ensure that farmers receive an appropriate share of the value added which is sufficient to enable them to practice sustainable farming.

Members also felt it necessary to simplify the implementation of rural development policy, to adopt more coherent approaches, along the same lines as multi-funds, and to stop the Member States and the Commission imposing overly painstaking administrative and financial checks.

Under the future CAP after 2020: Parliament emphasised that the CAP procedures must be simplified and must have sufficient funding, maintained at least at the current level. Greater importance should be attached to instruments geared towards modernisation and investment.

Highlighting the importance of the **tourism sector** as a source of income for farmers (e.g. farm holidays), Members urged instituting programmes to support investment and entrepreneurship, and launching tourism campaigns.

The funds under the future CAP ought to provide more support to **slow the loss of small and medium-sized farms**. Furthermore, CAP **direct payments** should only be allocated to persons whose main area of activity is agriculture. Direct payments should remain a CAP instrument beyond 2020, in order to support and stabilise farm incomes and compensate for the costs arising from complying with high EU standards.

The resolution stressed the need to:

- support a competitive and sustainable European **agricultural model based on a family-run, diversified and multi-functional farming model**, with particular emphasis on territories facing specific constraints;
- encourage the development, marketing and sale of **high-quality** agricultural products;
- provide more effective support for **organic and biodynamic** farming and all other sustainable production methods, including integrated farming and agroforestry.

With regard to the recent animal epidemics and the 2013 horsemeat scandal, Members considered that a **significant increase in the amount spent on food and feed security** is needed, since the EUR 1.93 billion allocated for the current seven-year period is completely inadequate.

Lastly, Parliament took the view that **ensuring food security in the European Union** must remain the primary principle action under the future CAP, without neglecting markets outside the EU. Trade agreements could pose a real risk, as well as possible opportunities, for European agriculture. Members believed that **free trade agreements** should not lead to unfair competition towards small and medium-sized farms and undermine local economies and jobs.

How can the CAP improve job creation in rural areas?

2015/2226(INI) - 10/10/2016 - Committee report tabled for plenary, single reading

The Committee on Agriculture and Rural Development adopted the own-initiative report by Eric ANDRIEU (S&D, FR) on how the CAP can improve job creation in rural areas.

The report noted highlighted that rural areas represent more than 77% of EU territory and that many jobs in those areas depend on agriculture and the agrifood industry. The foundations of the last CAP reform enabled aid to be redirected and distributed more fairly among the Member States and the various agricultural sectors. Members reaffirmed the role of the CAP in economic terms and as a social stabilising factor for farms and rural regions.

However, the economic crisis is affecting in particular rural areas.

Under the current CAP: the report noted that it is of crucial importance to maintain the two pillars of the CAP. Pillar I prevents out-migration of small and family farms from the sector and maintains jobs in the agricultural sector, while Pillar II funds ensure job creation in other areas such as tourism, food processing and other related sectors.

Members called upon the Member States to:

- give **young farmers long-term prospects** in order to address rural depopulation and to make full use of all the possibilities provided under the new CAP to support young farmers and new entrants to farming (especially those aged over 40);
- step up their support for small and medium-sized farms, in particular by making more use of the **redistributive payment**.

Members pointed out that the Member States have made extensive use of the option of **granting coupled aid** – which secures jobs in disadvantaged areas. They called on the Member States to increase the proportion of such aid for active farmers, to make it more flexible and to earmark more of it towards producing more plant proteins in the EU, which currently depends on imports from third countries for supply of this commodity.

The report noted that there is a need to implement the **environmental dimension of direct aid**.

Members considered that, given the high mortality rate among honey bees in several EU countries and the essential role they play in food security and the economy of many plant sectors, the Union should provide greater support for this sector by adopting a **genuine European strategy for bee repopulation**.

The report called for the EU to establish **prevention tools** along similar lines to the Milk Market Observatory in all major production sectors in order to **monitor markets**, which would help steer production and ensure a response to crises by means of flexible and responsive market management tools which would be activated when necessary.

Members considered that it is necessary to **simplify the implementation of rural development policy**, to adopt more coherent approaches, along the same lines as multi-funds, and to stop the Member States and the Commission imposing overly painstaking administrative and financial checks.

The Commission is called upon to submit a proposal for a **medium-term reform of the Common Agricultural Policy** which will be a response to the current scenario of prolonged crisis and to the serious impact on employment, particularly in rural areas, will limit red tape and the administrative burden for Europe's farmers.

Members also called for the establishment of binding rules on **fair payment** in the food supply chain between food producers, wholesalers and processors to ensure that farmers receive an appropriate share of the value added which is sufficient to enable them to practice sustainable farming.

Under the future CAP after 2020: the report emphasised that the CAP procedures must be simplified and must have sufficient funding maintained. Greater importance should be attached to instruments geared towards modernisation and investment.

The funds under the future CAP ought to provide more support to slow the loss of small and medium-sized farms. CAP direct payments should only be allocated to persons whose main area of activity is agriculture.

Members stated that **regaining control of the European market** must remain the primary principal action under the future CAP, before turning to and without neglecting markets outside the EU. In this regard, they considered that trade agreements such as TTIP, CETA and the EU-Mercosur Trade Agreement can pose a **real and significant threat** to European agriculture and employment markets.

Direct payments should remain a CAP instrument beyond 2020, in order to support and stabilise farm incomes and compensate for the costs arising from complying with high EU standards.

Against the backdrop of the recent animal epidemics, Members called for a significant increase in the amount spent on food and feed security, since the EUR 1.93 billion allocated for the current seven-year period is completely inadequate.

Lastly, the Commission and Member States should decrease administrative burden by **cutting red tape** and simplifying the CAP, as well as ensuring its cost-effective transposition.