

Agriculture

SUMMARY

The common agricultural policy (CAP) is one of the oldest common policies in the EU. Its significance is reflected in the proportion of the EU's budget devoted to it, representing approximately 40 % of the total. Developed at a time when Europe was unable to meet most of its own food needs, it was necessary to encourage farmers to produce food by means of guaranteed prices. The policy has undergone regular reform and has evolved over the years. These reforms have sought to improve the competitiveness of the agricultural sector, promote rural development and address new challenges in areas such as the environment and climate change.

Evidence from a series of Eurobarometer surveys indicates that EU citizens have a high level of awareness of this policy area. There is a recognition that the policy is succeeding in meeting citizens' expectations in terms of delivering healthy high-quality food as well as contributing to the protection of the environment.

When it comes to agriculture, Parliament's eighth term focused on taking forward not only implementation of the last CAP reform in 2013 but also a series of significant legislative achievements. The areas covered include, for example, unfair trading practices, animal health, plant health and the organic sector, as well as a range of policy-related simplification measures. On the non-legislative front, Parliament pursued its scrutiny role rigorously. Other substantial issues it considered during the last legislature included the future policy direction of the CAP for the post-2020 period, establishing its position on the next multiannual financial framework (MFF), including the overall budgetary allocation for the future CAP and the associated legislative framework. In the case of the latter, this has not been the subject of a plenary vote.

This is an update of an earlier briefing issued in advance of the 2019 European elections.



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State of play

The **common agricultural policy (CAP)** is often recognised as being one of the EU's oldest policies and is viewed as an important common policy for all the countries of the EU. As such, it is managed and funded at European level from the resources of the EU's budget. It was created at a time when Europe had difficulty meeting most of its own food needs. The policy was designed to encourage farmers to produce food by guaranteeing internal prices and incomes.

Approximately 38 % of the EU budget is spent on agriculture and rural development. This money finances income support for farmers in the form of direct payments, measures to promote rural development and market measures, where the EU can take measures to deal with difficult market situations, such as a sudden drop in prices. In the case of direct payments, they can remunerate farmers for environmentally-friendly farming and delivering 'public goods' such as taking care of the countryside.

Since the entry into force of the Treaty of Rome, in which the foundations of the CAP were laid down, the policy has been the subject of successive reforms. In general, these have sought to improve the competitiveness of the agricultural sector, promote rural development and address new challenges. These changes have culminated in the most recent reform, covering the 2014 to 2020 period, which was adopted in 2013. The last Parliament had to deal with the implementation of this reform as well as consideration of [new proposals](#) for the CAP for the post-2020 period, proposed by the Commission on 1 June 2018.

Challenges

As part of its proposals for modernising and simplifying the CAP, the Commission published a series of background documents¹ examining the main climate and environmental, socio-economic and economic challenges facing EU agriculture and rural areas.

- **Low farm incomes:** these are significantly below average wages in the economy in a large majority of Member States. EU-28 average farm income is only around 40 % of average income.
- **Falling employment:** as a source of employment in the primary sector, agriculture faces a long-term trend of sectoral decline. One in four agricultural jobs have disappeared since 2005.
- **Low EU agricultural productivity growth:** the EU's agricultural productivity growth is low, averaging only 0.8 % per annum in the period 2005-2015. This situation was further compounded by low levels of public investment in agricultural research and development over the years 2012 to 2016.
- **Compliance costs:** it is reported that EU farmers face higher costs for compliance with legislation compared to their competitors (in the case of pigs and poultry farms for example, compliance costs can amount to between 5 and 10 % of production costs).
- **Ageing farm population:** in 2013, close to one-third of all farmers in the EU were older than 65, while only 5.6 % were younger than 35 years. For each farmer younger than 35, there are 5 to 6 farmers older than 65 in Europe. Furthermore, young farmers face difficulties in accessing both capital and land.
- **Low levels of training:** more than two-thirds of EU farmers have not received any agricultural training other than their own practical experience.
- **Price and income volatility:** the sector has been the subject of both price and income volatility. In the case of the former, this has been demonstrated for the main agricultural sectors such as dairy, beef, pig meat and cereals. In the case of the latter, evidence shows that up to 20 % of farmers have experienced income drops above 30 % each year.

Challenges such as those outlined above exist within a rural context, characterised by significant variations and disparities in relation to age structure, levels of remoteness, economic activity,

education and labour market features and relative poverty. Research shows how isolated rural areas suffer much more from a lack of social inclusion and a poorly performing labour market compared to those rural regions that are close to urban areas. Agriculture within the EU is considered to be highly vulnerable to climate change. It is also seen as a significant driver of greenhouse gas emissions through land use and land use change.

Potential

Despite these challenges, EU agriculture is recognised for its output of safe, high-value foods. It has developed a high level of quality in respect of food safety, nutritional value, and production methods. Its production structures are highly diversified. Part of its success in terms of export performance is reflected in a positive agro-food trade balance. Though the structure of farming within the EU is highly diversified, the sector benefits from operating within a single market of European consumers. The Commission has noted that a common approach towards supporting agriculture helps to ensure a level playing field for EU farmers.

EU agricultural products have proven to be very competitive on world markets. The value of EU [exports](#) reached €137.9 billion in 2017 – an increase of just over 5 % compared to 2016. The trade balance for agri-food products in 2017 was also positive with an export surplus of €20.5 billion. Market access for EU agricultural products has improved through bilateral agreements involving an ambitious programme of trade negotiations.² One example is the [Economic Partnership Agreement](#) between the EU and Japan, which entered into force on 1 February 2019. The European Parliament gave its [consent](#) in December 2018, clearing the way for the conclusion and entry into force of the biggest trade agreement ever negotiated by the EU.³

The Commission's [communication](#) on the CAP post-2020 notes the significance of research and innovation. The potential contribution innovation can make to agriculture and rural areas is being increasingly recognised, not least through the difference investment in research and development can make to productivity growth in agriculture, as well as in terms of sustainable development. In this regard, the Commission's long-term strategy for agricultural research and innovation has an important role to play. In addition, the potential role and opportunities that precision farming can offer European agriculture have been presented in a [study](#) undertaken for Members of the European Parliament by Parliament's Scientific Foresight (STOA) unit on 'Precision agriculture and the future of farming in Europe'.

Public expectations for EU involvement

Evidence of how important agriculture and rural areas are to EU citizens is available in a Eurobarometer [survey](#) undertaken in December 2017. Entitled 'Europeans, Agriculture and the CAP', it follows on from previous surveys on this topic dating back to 2007.

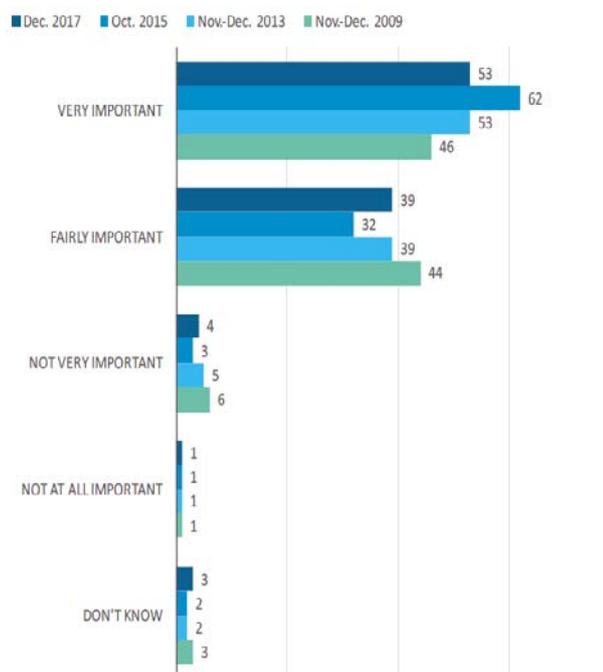
Some key findings from the December 2017 survey indicate the following:

- More than nine out of ten people (92 %) think agriculture and rural areas are important for the future, as shown in Figure 1. This represents an increase of two points since 2009.
- At least 85 % in every Member State think agriculture and rural areas are important for the future, ranging from 98 % of respondents in Portugal, 97 % in Belgium and 96 % in Spain to 85 % in Romania and 87 % in Croatia. Compared to 2015, most countries have either recorded no change or a slight decline in the proportion who think agriculture and rural areas are important.
- There is an indication that those aged 25 and over are the most likely to say agriculture and rural development are very important for the future. While 56 % of those aged 55 and over consider this to be the case, the figure falls to 44 % for 15 to 24 year-olds.

➤ In terms of what the main responsibilities of farmers should be, these were considered to cover: the provision of safe, healthy food of high quality (55%), ensuring the welfare of farmed animals (28%) and protecting the environment and tackling climate change (25%), while 22% mentioned supplying the population with a diverse range of quality products.

➤ Ensuring the provision of **safe, healthy and high quality food** was considered by more than six out of ten respondents (62%) to be the main objective of the EU in terms of agricultural and rural policy. This represents a **six-point increase from 2015**. Protection of the environment and tackling climate change were mentioned by 50% of respondents representing a six-point increase from 2015. There was also a three-point increase in the proportion who mentioned ensuring a sustainable way to produce food at 46%.

Figure 1 – Do you think that, in the EU, agriculture and rural areas are ... for our future? (%-EU)



Source: [Special Eurobarometer 473](#), European Commission, February 2018.

Examining the surveys in terms of what they reveal about the profile and significance of the CAP, the evidence points to a **high level of awareness of the CAP** on the part of respondents (some 67% having heard of it); and more than six in ten respondents (61%) agree that the CAP benefits all European citizens and not only farmers. There is a recognition that **the CAP** is succeeding in those areas considered to be most important by respondents such as in the **provision of healthy food of high quality and the protection of the rural environment**. There is also a consistency in the survey results concerning the perceived importance of the priorities of the CAP. For example,

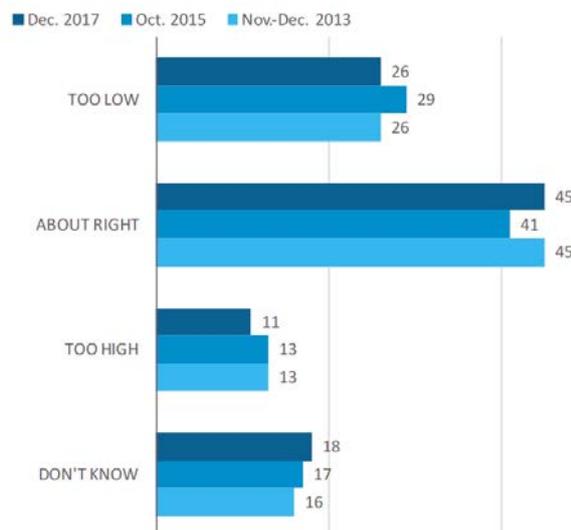
- almost nine in ten (88%) considered strengthening farmers' role in the food chain to be important. This is a significant finding as the issue of unfair trading practices in the food supply chain is the subject of a legislative proposal in the current Parliament. This is further explained in an [EPRS briefing](#);
- almost 84% considered developing research and innovation to support the agri-food sector to be important;
- while 84% also thought that encouraging young people to enter the agricultural sector was important.

This support for the CAP and the priorities cited above is also reflected in citizens' attitudes to financial aid for farmers, the current CAP budget and future financing levels. More than four in ten (45%) think the financial support currently given to farmers is about right and just over one quarter (26%) feel it is too low, again reflecting a level of consistency in these results, give or take a few percentage points, when the 2013, 2015 and 2017 surveys are compared (Figure 2). When EU citizens were probed as to the main reasons to justify the CAP's share of the total EU budget, the following responses were elicited:

- 30 % of respondents felt such aid made it possible to ensure sustainable farming;
- 28 % felt it made it possible to guarantee the food supply of Europeans;
- one quarter (24 %) indicated that the production of food products in the EU was more expensive than elsewhere as a result of stricter standards;
- almost nine in ten (88 %) were in favour of the EU making subsidy payments to farmers for farming practices that are beneficial to the climate and the environment.

In terms of future financial support, which is highly relevant given the discussions over the next MFF and the CAP budget, more than four in ten respondents (44 %) wanted to see an increase in EU financial support to farmers over the next 10 years, while just over one in ten (12 %) wanted to see a decrease, and 29 % wanted no change. This means that more than seven in ten (73 %) want to see EU financial support to agriculture either remain the same or increase. The Commission's analysis of the survey has identified a longer-term trend since 2007 that points to an increase (of 15 percentage points, i.e. from 29 % to 44 %) in the proportion who want funding to rise. The Commission also suggests that these results highlight 'the strong link between what Europeans want from agriculture and what they expect from the CAP and agricultural policy' ([Special Eurobarometer](#)). This reflects a shift in focus of the CAP from ensuring the supply of food to its current focus on food quality, animal welfare and environmental standards.

Figure 2 – Do you think the financial support (which the EU gives) is too low, about right or too high? (%-EU)



Source: [Special Eurobarometer 473](#), European Commission, February 2018.

EU framework

Legal framework

The basic rules and objectives relating to the CAP are set out in Articles 38 to 44 and Annex I of the **Treaty on the Functioning of the European Union** (TFEU). [Article 39](#) sets out the objectives of the CAP: (i) to increase agricultural productivity, (ii) to ensure a fair standard of living for farmers; (iii) to stabilise markets; (iv) to ensure reasonable prices for consumers.

The current legal framework for the 2014-2020 CAP is principally governed by four EU regulations, namely:

- Regulation (EU) No [1307/2013](#) covering agricultural income support in the form of direct payments to farmers;
- Regulation (EU) No [1308/2013](#) establishing a common market organisation of the markets in agricultural products;
- Regulation (EU) No [1306/2013](#) covering horizontal issues such as the financing, management and monitoring of the CAP); and
- Regulation (EU) No [1305/2013](#) dealing with rural development.

The legal framework for the CAP as outlined above was and will continue to be the subject of intense debate as part of discussions concerning the future of the CAP in the post-2020 period. At the end of November 2017, the Commission adopted a [communication](#) on the future of food and farming.

This followed one of the largest public consultation exercises ever undertaken into the views and expectations of a wide range of stakeholders as they relate to agriculture, rural areas, the CAP and its future. On 1 June 2018, the Commission adopted **a set of legislative proposals** setting out a legislative framework for the CAP for the 2021 to 2027 period, comprising three proposed regulations:

- a proposal for a **CAP strategic plan regulation** (covering direct payments to farmers, rural development support and sectoral support programmes);
- a proposal for a **CAP horizontal regulation** (covering financing, managing and monitoring the CAP);
- a proposal for an **amending regulation** (amending regulations on the Single Common Market Organisation, quality schemes for agri-food products and on specific measures for the outermost regions and smaller Aegean islands).

Financial framework

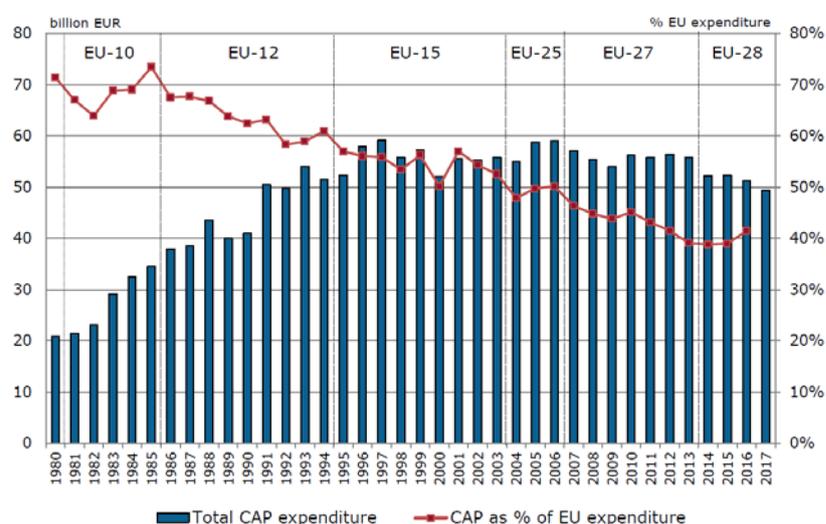
Figure 3 shows the pattern of CAP expenditure over the years 1980 to 2017 both in absolute values and as a share of the EU budget. The trendline indicates that the CAP's share of the total EU budget has been declining over the past 25 years, ranging from 73 % in 1985 to 41 % in 2016.

This downward trend in the CAP's share of EU spending reflects in part the impact of the changes arising from successive reforms of the CAP.

In the 1980s, CAP spending focused mainly on price support through intervention and export subsidies. In the 1992 CAP reform, market price support was reduced and replaced by producer support in the form of direct payments. Agenda

2000 continued the reform process and rural development policy was introduced as a second pillar. In the 2003 reform, most direct payments were decoupled from production. The 2013 reform covering the 2014-2020 period entered into force on 1 January 2015. It re-orientated the CAP towards environment-related objectives including a new greening component as part of the system of direct payments. When it comes to the [different types of intervention](#), the system of direct payments under the [first pillar](#) of the CAP represents around 72 % of the CAP budget. These payments take the form of basic income support based on the number of hectares. They are complemented by a series of other support schemes targeting specific objectives and types of farmer. The second [pillar](#) of the CAP supports the EU's rural development policy and is implemented through 118 rural development programmes drawn up by the Member States.

Figure 3 – CAP expenditure as a percentage of total EU expenditure (2011 constant prices)



Source: [European Commission](#), 2018.

Deliveries of the 2014-2019 parliamentary term

Policy initiatives – legislative achievements

In addition to its role in relation to the CAP, on the wider **legislative front**, the European Parliament considered a number of key legislative proposals relating to agriculture under the co-decision procedure during the last legislature. This includes two legislative files left unfinished at the end of the last parliamentary term namely: **animal health law** and legislation on **plant pests**. Though the volume of legislation listed in box 1 may be limited in terms of the number of legislative files compared to the equivalent period in the case of national parliaments, the significance of these legislative achievements should not be underestimated. They involve meaningful reforms as the following brief analysis shows.

Box 1 – Selection of key agriculture-related legislation adopted by the European Parliament and the Council under the co-decision procedure between 2014 and 2019	
2016	Animal health law – Regulation (EU) 2016/429 on transmissible animal diseases Animal Breeding Regulation (EU) 2016/1012 Aid scheme for the supply of fruit and vegetables, bananas and milk in educational establishments – Regulation (EU) 2016/791 Plant health legislation: protective measures against plant pests – Regulation (EU) 2016/2031
2017	Omnibus Regulation – Agricultural provisions Regulation (EU) 2017/2393 Official Controls Regulation (EU) 2017/625
2018	Organic production and labelling of organic products – Regulation (EU) 2018/848 Integrated farm statistics – Regulation (EU) No 2018/1091 Regulation (EU) 2019/4 on the manufacture, placing on the market and use of medicated feed Regulation (EU) 2019/5 on medicinal products for human and veterinary use Regulation (EU) 2019/6 on veterinary medicinal products
2019	Directive (EU) 2019/633 of the European Parliament and of the Council of 17 April 2019 on unfair trading practices in business to business relationships in the food supply chain.

Data source: [Legislative Observatory](#), European Parliament.

- One of the most significant legislative achievements of the eighth European parliamentary term concerns Parliament's adoption of a new Directive on **unfair trading practices in the food supply chain**. Approved by an overwhelming majority in the European Parliament's plenary on 12 March 2019, the new directive will grant Member States the authority to enforce new rules and sanctions in respect of established infringements. It bans for the first time up to sixteen unfair trading practices such as late payments for perishable products or last minute order cancellations. The European Parliament has consistently sought to encourage a pro-active attitude and approach from both the European Commission and Member States in addressing such practices, which are damaging to the incomes of farmers. Parliament achieved important modifications to the legislative text, such as the extension of the scope to include suppliers bigger than SMEs, as well as an extension to the list of prohibited unfair trading practices. The [new directive](#) was signed on 17 April 2019 by the Presidents of the European Parliament and the Council.
- In the case of the **aid scheme for the supply of fruit and vegetables and milk** to schools, the European Parliament has been instrumental in strengthening the scheme, increasing its overall budget and making it more focused on healthy eating measures. Parliament's [resolution](#) provided for accompanying educational measures aimed at reconnecting children with agriculture (the need for which is reinforced by the findings from the Eurobarometer survey cited earlier on the attitudes of young people).

- The Regulation on **Organic Production and Labelling** revises the existing legislative framework for one of the fastest growing sectors within EU agriculture. The new regulation should increase consumer confidence in organic products, help to prevent fraud and make it easier for small farmers to switch to organic farming.
- To ensure the uniform application of EU food and feed law, rules on animal health and welfare, plant health, plant reproductive material and plant protection products, the Regulation on **Official Controls** adopted in March 2017 lays down a harmonised approach in respect of official controls across the EU's agri-food chain.
- Similarly, the regulations passed by Parliament and Council concerning **transmissible animal diseases** and **plant health** are fundamental to ensuring the prevention of animal diseases and plant pests. In the case of the former, the new law links animal health and welfare, connecting it to human health. It merges around 40 legal acts into one basic act. This creates a single regulatory framework for the rules related to the control of transmissible animal diseases, which can have a significant impact on animal and public health and on the economy (consider the impact of African swine fever, foot and mouth disease, etc.). Likewise, an effective plant health regime is essential for protecting the health, economy and competitiveness of the EU's plant production sector. The [experience](#) of the impact of the plant pathogen *Xylella fastidiosa* on olive groves in the Italian region of Apulia in 2014 is evidence of how damaging harmful organisms can be.
- The EU's **zootechnical legislation** (or Animal Breeding Regulation), adopted by Parliament and Council in June 2016, provides a single legal framework for the rules applicable to the breeding, trade and entry into the Union of breeding animals and their germinal products. It aims at the promotion of free trade in breeding animals and their genetic material by providing for harmonised rules on the regulation of breeder's associations, entry of purebred breeding animals, the issuing of pedigree certificates and the carrying out of performance testing and genetic evaluation.
- The new Regulation on **Integrated Farm Statistics**, adopted by Parliament and Council in July 2018, provides an updated framework for European statistics at the farm level. It will therefore contribute to the creation of the knowledge base necessary for making informed decisions on where to allocate EU funding in the future. Parliament contributed to and supported the main ideas contained in this legislation covering issues such as farm safety, young farmers, organic production as well as the impact of policies on the female workforce in agriculture.
- Parliament and Council have also adopted new regulations updating the existing legislative framework for **veterinary medicines and medicated feed**. The [package](#) represents a significant milestone in efforts to tackle antimicrobial resistance in the EU.

In this brief overview of Parliament's main legislative achievements in the area of agriculture during its eighth term, reference must also be made to the 'Omnibus' Regulation – Agricultural Provisions ([Regulation \(EU\) 2017/2393](#)). This contained changes to the various legal instruments concerning multiannual funding programmes in areas such as the structural and investment funds as well as the CAP regulations. Adopted by Parliament and Council on 13 December 2017, it also represents a significant achievement of the eighth parliamentary term for a number of reasons.

- It is the **first occasion** that changes to the basic regulations of the CAP have been formally approved since the 2013 reform.
- While many of these changes are of a technical nature, they provide for a range of policy-related **simplification measures**. For example, Member States now have greater discretion in the application of 'active farmer'. In the case of young farmers, the new regulation allows Member States to increase young farmers' payments.
- **Other changes** cover a range of pertinent issues such as: simplifying and extending the greening rules for direct payments, and improving the bargaining position of farmers in

the food supply chain. The regulation also introduced a new sector-specific income stabilisation tool.

- **The changes applied from 1 January 2018** as a result of the procedure followed by Parliament's Agriculture and Rural Development (AGRI) Committee. It requested and obtained from the two 'lead committees' (the Committee on Budgets (BUDG) and the Committee on Budgetary Control (CONT)) the opportunity to take these agricultural provisions forward to Parliament's plenary, where they were adopted on 12 December 2017. This enabled the adopted regulation to enter into force on 1 January 2018. (A later entry into force would have resulted in a delay in the application of some of the simplification measures until 2019).
- **Subsequent feedback** from a range of stakeholder bodies has been positive.

The Omnibus Regulation (Agricultural Provisions) can be seen as a further phase in efforts to simplify the CAP. Simplification has been a major topic of discussion in Parliament, Council and the Commission since the entry into force of the 2013 CAP reform.

Parliament's scrutiny and budgetary control roles

This is a reminder of Parliament's important **scrutiny role** in respect of both the Commission and Council. In the area of agricultural policy, Parliament's AGRI committee has a pivotal role to play. Responsible for scrutinising the European Commission's work in relation to agricultural policy, this goes beyond probing the EU institutions on their respective actions. It extends into preparing opinions and producing reports on legislative proposals under the co-decision procedure for adoption in plenary (as shown in box 1). The AGRI committee has taken the opportunity to scrutinise and probe the Commission on a wide range of issues such as: the persistent difficulties facing European fruit and vegetable and dairy producers resulting from the Russian import ban, the need to address what it perceived as a crisis in the milk sector, the issue of animal welfare, as well as substantive discussions with the Commission on the content of delegated acts and the ongoing implementation of CAP instruments. The Committee has also held a traditional exchange of views with the incoming presidencies of the Council. This scrutiny role has enabled Parliament to focus on a wide range of policy topics that have a critical bearing not only on how the current CAP is being delivered but also on future policy considerations for the post-2020 period. In support of this work, Parliament's Policy Department has commissioned some 40 studies (see box 2), undertaken by independent experts and published during the eighth parliamentary term. Their aim has been to assist the AGRI committee in its work, including its consideration of the range of policy and operational issues that fall within its remit. In most cases, the requests for these studies were initiated by members of the AGRI committee through its secretariat. Two further studies are scheduled for completion in 2019.

Box 2 – Topics covered in European Parliament Policy Department's studies published (or forthcoming) between 2014 and 2019 on agriculture and rural development policies

2014	Precision agriculture EU Member States in agri-food world markets Trends in EU-third countries trade of milk and dairy products	CAP tools to enhance family farming Family farming in Europe Comparative analysis of risk management tools
2015	The EU's fruit and vegetables sector Farmland grabbing in the EU Farmers' incomes in EU Member States	The agricultural inputs sector in the EU Implementation of the first pillar of the CAP
2016	Farm structural change (two studies) The food value chain in the EU Risk management tools The role of the EU CAP in creating jobs	The EU's external action and the CAP CAP reform: challenges in agriculture Post-quotas EU sugar sector Rural development policy implementation
2017	Consequences of climate change	Preserving agricultural soils in the EU

	The EU cattle sector Policy support for productivity vs sustainability Flexibility and the CAP EU-UK agricultural trade	Implications of Brexit for the EU agri-food sector Young farmers Possible transitional arrangements for EU-UK in agriculture
2018	Urban and peri-urban agriculture Revival of wolves and other large predators The CAP strategic plans beyond 2020 New competition rules for the agri-food chain Comparative analysis of global agricultural policies Appraisal of the communication on the future of food and farming'	Agricultural trade Towards the CAP beyond 2020 CAP support beyond 2020 The sectoral approach in the CAP beyond 2020
2019	The impact of the digital economy on food-chains and the CAP Mega-trends in the agri-food sector (forthcoming) EU farming employment: current challenges and future prospects (forthcoming)	

Data source: [Research4Committees](#).

Parliament has important [budgetary control powers](#). A key 'deliverable' is the power of discharge, i.e. final approval of how the budget for a specific year has been implemented. The AGRI committee has acted in support of this power of discharge by, for example, adopting the opinion on the discharge as it has done for 2014, 2015 and 2016. It has also held an exchange of views with the BUDG committee on the priorities for the annual budget from an agricultural perspective. In this way, AGRI committee members are able to argue the need for the budget to maintain sufficient funding for agriculture, especially in light of the challenges the sector faces. At their meeting of February 2018, AGRI committee members gave a strong defence of the CAP in an exchange of views with the Commissioner responsible for budget and human resources, Gunther Oettinger. A number of MEPs stressed that they considered CAP support to be essential to the survival of farms and that even moderate cuts would have substantial effects on farmers' incomes.

Non-legislative actions

When it comes to other achievements or deliverables of the eighth parliamentary term, Parliament undertook a number of non-legislative actions in the agricultural policy field.

- Parliament adopted **opinions** that help to highlight views on a wide range of issues, such as the protection of animals during transport. In the case of the latter, it adopted a [resolution](#) in plenary in February 2019, calling for strong and harmonised enforcement of Regulation (EC) 1/2005 on the protection of animals during transport.⁴
- Parliament hosted **public hearings** by the AGRI committee (often in association with other committees) on issues such as: the labelling of origin for agricultural and food products; new breeding techniques; antimicrobial resistance; protein crops; the impact of the CAP on developing countries; genetic diversity and conservation; price volatility; and simplification. In this regard, Parliament hosted a number of public hearings launched by a [European Citizens' Initiative](#) (ECI). (Established by Regulation (EU) 211/2011, ECIs provide a platform for the citizens of Europe to ask the Commission to propose legislation on matters falling within EU competence). One AGRI committee meeting was devoted to a public hearing launched by the ECI entitled '*Stop Vivisection*'.
- There were **joint AGRI meetings with other committees**, such as for example between the Environment, Public Health and Food Safety (ENVI) and Industry, Research and Energy (ITRE) Committees on the implementation of the EU forest strategy; joint meetings between the AGRI, Development (DEVE) and ENVI committees to discuss and raise awareness of the importance of soils involving the Food and Agriculture Organization (FAO). The AGRI committee engaged in dialogue with both the European Court of Auditors and the Budgetary Control (CONT) Committee, reflecting its desire to see controls that are better targeted and adapted to realities on the ground.

- The **crisis in the milk sector** was addressed early on in Parliament's eighth term following the expiry of milk quotas at the end of March 2015, where through the AGRI committee Parliament pressed the Commission for action to be taken to soften the impact of the crisis. In July 2015, Parliament adopted a [resolution](#) on 'prospects for the EU dairy sector – review of implementation of the dairy package' on the basis of a report drawn up by the AGRI committee (Rapporteur: James Nicholson, ECR, UK). After Parliament's resolution and the extraordinary meeting of the [Agriculture Council](#) held in September 2015, the Commission presented a €500 million [package to support European dairy farmers](#).
- **International dimensions of agricultural policy** that have involved Parliament have included: Parliament's support for the **promotion of EU agricultural products**; the effects of the **Russian ban** on certain EU agri-food products where Parliament has urged the Commission to do what it can to support the European producers affected (see Parliament's [resolution](#) of 18 September 2014). For the adoption of the 2019 draft budget, Parliament [called](#) on the Commission to ensure that any margins left within the budget were sufficient to address crises such as the effects of the Russian ban); trade agreements (where both the Parliament and the Council decide whether or not to approve trade agreements); and Parliament's position on **developing countries**. (In its [resolution](#) of 30 May 2018 in response to the Commission's communication on the future of food and farming issues, Parliament made it clear that CAP reform 'should respect the right of developing countries to shape their agricultural and food policies without weakening their food production capacities and long-term food security, in particular those of the least-developed countries').

Potential for the future

Looking to the future, there are a number of substantive issues for the next Parliament to address. These include negotiations over the next MFF for the 2021-2027 period, including the overall budgetary allocation for the next CAP and the associated legislative framework it will involve. The Commission's proposal for the next MFF includes €365 billion for the CAP in current prices and €324.2 billion in 2018 constant prices.⁵ A [comparison](#) of these figures with the previous MFF for the EU-27 in the 2014-2020 period has been undertaken by Parliament's Policy Department for Structural and Cohesion Policies, taking into account the Commission's adjustments for the departure of the UK and variations for the point of reference chosen (i.e. total allocations for 2014-2020 or for the last year of the current MFF). This analysis indicates that these proposals would represent a reduction of 12 % in constant prices in the overall allocation to the CAP (see Table 1). However, the analysis explains that such a reduction in the CAP allocation would have a differential impact in terms of the current pillar structure within the CAP. EU funding for Pillar II could fall by around 25 % to 28 % in real terms. The Commission is inviting Member States to increase their co-financing contribution to rural development programmes.

Table 1 – CAP sub-ceilings in the MFF (commitments in €m in current and constant 2018 prices)

	CURRENT EU- 27 2021-2027	CONSTANT 2018 prices EU-27 2021-2027	CURRENT Comparison with previous MFF	CONSTANT 2018 prices Comparison with previous MFF
EAGF	286 195	254 247	0.5 to 2 %	-7 to -11 %
EAFRD	78 811	70 037	-17 to -19 %	-25 to -28 %
Total CAP	365 005	324 284	-5 %	-12 %

Data source: [Towards the Common Agricultural Policy beyond 2020: comparing the reform package with the current regulations](#), European Parliament, September 2018.

In response to the Commission's legislative proposals for the CAP post-2020 period (see 'legal framework' section above), the last Parliament passed a [resolution](#) on the future of food and farming as well as a [resolution](#) on the 2021-2027 MFF and own resources in May 2018. For its interim report on the 2021 to 2027 MFF, Parliament adopted a [resolution](#) on 14 November 2018, confirming its priority for maintaining the financing of the CAP for the EU-27 at the level of the 2014-2020 MFF in real terms while budgeting the initial amount of the agricultural reserve.

On the legislative front, the legislative framework for the next CAP post-2020, which takes the form of the three legislative proposals listed in the 'legal framework' section above, will be high on the agenda of the next Parliament. These proposals have already been the subject of numerous meetings within both the Council and the last Parliament, but none was the subject of a plenary vote. It will therefore be for the new Parliament to decide how to proceed with its continued consideration of the CAP reform package.

MAIN REFERENCES

Special Eurobarometer 473 Report, [Europeans, Agriculture and the CAP](#), European Commission, February 2018.

[Towards the Common Agricultural Policy beyond 2020: comparing the reform package with the current regulations](#), Policy Department for Structural and Cohesion Policies, European Parliament, September 2018.

ENDNOTES

- ¹ See Modernising and simplifying the CAP: [Economic challenges facing EU agriculture](#) ; [Socio-economic challenges facing agriculture and rural areas](#), [Climate and Environmental challenges facing agriculture and rural areas](#), European Commission, December 2017.
- ² See [Agricultural policy, monitoring and evaluation](#), OECD Publishing, 2018.
- ³ The [agreement](#) will open up the Japanese market of 127 million consumers to key EU agricultural exports. (See [EU/Japan Strategic Partnership Agreement](#) 2018/0122).
- ⁴ Parliament's Conference of Presidents (President of the European Parliament and political groups' leaders) had tasked the AGRI committee with drafting an implementation report on how EU rules in this area were being implemented. See Dinu A., [Regulation \(EC\) No 1/2005 on the protection of animals during transport and related operations](#), European implementation assessment, EPRS, European Parliament, October 2018.
- ⁵ Figures quoted in constant prices remove the impact of price changes, providing a measure of the actual change in prices (and not just an increase due to the effects of inflation). Current prices make no adjustment for inflation.

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