



EUROPEAN PARLIAMENT

2014 - 2019

Committee on Agriculture and Rural Development

2015/2074(BUD)

1.6.2015

OPINION

of the Committee on Agriculture and Rural Development

for the Committee on Budgets

on the mandate for the trilogue on the 2016 draft budget
(2015/2074(BUD))

Rapporteur: Jean-Paul Denanot

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SUGGESTIONS

The Committee on Agriculture and Rural Development calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Points out that agriculture and rural development deliver many key EU objectives, contribute to food security for a growing world population, and are an important part of the overall EU budget for 2016; calls, given that its share of the overall budget has decreased over time, for the agriculture budget to be robustly defended and at the very least remain at its current level in real terms;
2. Notes the cuts in funding for rural development under the European Agricultural Fund for Rural Development (EAFRD) in commitments and payments for the 2015 budget; points out that EAFRD projects – including the LEADER programmes – are a major driver of rural development, as they deliver wider benefits to the EU at large, in particular in generating growth, added value and jobs, especially with regard to the role that smallholdings and family farms play in job creation in rural areas; asks that careful consideration be given to the final level of commitment and payment appropriations in the 2016 budget; insists that particular attention should be paid to encouraging generational renewal in agriculture, supporting young farmers and innovation; acknowledges in this regard the opportunities which the Erasmus for Young Entrepreneurs programme could create for young farmers in terms of facilitating knowledge transfer, exchange of information and professional experience;
3. Notes the delay by some Member States in ratifying their operational programmes, with some still not having done so by the end of the first quarter of 2015; urges the Member States to implement their operational programmes promptly, so as to ensure that they can become operational in 2016; considers that take-up of 2016 budget appropriations under the joint management of the Commission and the Member States should accordingly be stepped up significantly; calls for adequate EAFRD commitment and payment appropriations to be provided accordingly;
4. Demands that additional finance be allocated to the milk sector, in order to mitigate the impact of ongoing price volatility within the sector, the abolition of the quota system and the Russian embargo; calls for increased funding for the organisation and consolidation of producer organisations in the fruit and vegetable sector, and further insists that some specific agricultural sub-sectors, such as beekeeping, are in need of greater funding; highlights the importance of schemes for milk and fruit in schools, and proposes an increase in appropriations of EUR 20 million a year for the milk programme, in line with the vote of the Committee on Agriculture; stresses the need for support for organic farming, and for geographical indication schemes including ‘traditional speciality guaranteed’ schemes;
5. Points out that school fruit and milk programmes are not user-friendly, partly because of the administrative burden involved, and that their acceptance and implementation are falling short of the ideal, making it urgently necessary to simplify the bureaucratic procedures they entail;

6. Calls for additional funding for the olive-growing and olive oil sector in order to offset losses to farmers caused by the *Xylella fastidiosa* outbreak, step up prevention measures in Europe, combat the spread of this devastating disease, restructure the sector, and consolidate scientific research into the pathogen and its carrier;
7. Requests that the proceeds obtained from the milk super levy in 2014 be used solely to protect the sector, especially in the regions hardest hit by the abolition of the quotas; to that end, calls for a stability fund to be set up to protect farmers in the outermost, less-favoured and mountain regions, and for that fund to be activated whenever producer prices fall below production costs;
8. Asks the Commission to consider the outcome of the impact study on the end of the milk quota and consequently to provide adequate support for transition to mixed farms (meat and milk);
9. Notes that in countries now discovering the pleasures of wine European producers are failing to secure an adequate market foothold; points out that Europe is also unable to find outlets for its overflowing wine lakes, obliging the EU to spend around EUR 500 million annually on disposing of, storing and distilling wine surpluses; observes that this money could be better spent on rebalancing the market, improving quality and promoting European wines outside the EU;
10. Calls for additional funding to allow European farmers to sell their products locally in order to ensure greater profit margins;
11. Points out that, as things now stand in Europe, agricultural innovation and policymaking in this field are displaying a number of manifest shortcomings; observes that the lack of resources is one of the problems that must be resolved if innovation is to be given fresh impetus; urges, therefore, that additional funding be earmarked for measures to encourage greater innovation in the farming sector, so as to make it more competitive and reduce its environmental impact;
12. Calls for sufficient funds to be made available in order to implement all elements of the CAP reform, including as regards greening, biodiversity and rural development programmes; asks the Commission to swiftly approve equivalent certificates for greening measures when submitted by Member States; stresses that the simplification of the CAP and a reduction in the administrative burden imposed on farmers and national authorities is needed in order to ensure that the agriculture budget is spent effectively and with a view to reducing the high error rates in the use of the funds; welcomes, therefore, the commitment made by the Commission to include simplification and subsidiarity among its priority objectives for the coming years;
13. Demands that funds allocated through the financial discipline mechanism to the crisis reserve in the agricultural sector of the 2016 budget and that remain unspent be made fully available as direct payments in the following budgetary year; requests that all available margins under heading 2 be reserved for the agricultural sector, particularly in view of the continuing Russian embargo, market problems in the milk sector and significant health risks in the plant and animal sector;

14. Notes that European agriculture has been increasingly exposed to crises in recent years (Russian embargo, milk crisis, etc); urges, therefore, the adoption of a new approach to CAP contingency funding and the provision of stable and adequate financial resources with a view to future crises, without prejudice to direct annual payments;
15. Notes that significant funds have been removed from the dairy sector in the last quota year as a result of the implementation of the super levy, and therefore recommends that this revenue remain within the agriculture budget in order to strengthen the competitiveness of the dairy sector;
16. Urges the Commission and the Member States to monitor the significant price volatility of agricultural products and improve the real-time analysis of sector markets, for instance, by strengthening the Milk Market Observatory in the dairy sector; stresses that price volatility continues to be an ongoing challenge for some sectors and one which occurs more frequently in a more globalised market and has adverse effects on farmers' incomes, and urges the Commission and Member States to react promptly and effectively when needed, thus directly enabling farmers to counter price volatility;
17. Recalls the difficulties encountered in previous financial years when appropriations were cut; believes that any attempt to reduce agricultural appropriations would be ineffective and even dangerous, since this would undermine CAP objectives, leaving the sector even more vulnerable, and significantly weaken efforts to maintain the competitiveness of European agriculture;
18. Highlights that the sugar quota expires at the end of 2016, and therefore suggests that the Commission find proper instruments in order to avoid market imbalances;
19. Highlights the objectives of increasing the competitiveness and sustainability of European agriculture, and asks for resources to be made available to meet those objectives;
20. Demands that the funds earmarked for research in the agri-food sector, in particular from the Horizon2020 budget, remain fully available as such with a view to stimulating innovation in the agricultural sector;
21. Stresses the importance for the committee and for the agricultural sector of pilot projects, such as the European Price Monitoring Observatory, in order to improve price comparability and transparency in setting food prices, and calls for continued support; proposes, at the same time, the launching of further pilot projects that could help improve the marketing and visibility of European agricultural products, such as new promotion campaigns to enhance awareness among schoolchildren of the EU quality schemes; calls on the Commission to keep Parliament and the Council regularly informed about the use of this instrument and the relevant findings, while ensuring that the relevant details are also made available to a wider public; emphasises the importance of a pilot project in which obstructions to farming businesses arising from the accumulation of legislation are investigated;
22. Highlights the continuing imbalances in the food supply chain, in which the position of primary producers is considerably weaker than that of other actors; urges the Commission to incentivise the creation of producer organisations, particularly in the dairy sector, as

one of several means of tackling unfair trading practices, and to closely monitor practices of excessive taxation on food articles, and to take action to improve the transparency of prices and margins, with particular reference to the role of the large-scale retail sector as well as the weak position of farmers in the food supply chain; highlights the value of a pilot project in this area and asks for submission of a legislative proposal if necessary;

23. Calls for the full alignment of direct payments in the EU-28 as soon as possible.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	28.5.2015						
Result of final vote	<table style="width: 100%; border: none;"> <tr> <td style="width: 100px;">+:</td> <td style="text-align: right;">26</td> </tr> <tr> <td>-:</td> <td style="text-align: right;">11</td> </tr> <tr> <td>0:</td> <td style="text-align: right;">5</td> </tr> </table>	+:	26	-:	11	0:	5
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Members present for the final vote	John Stuart Agnew, Clara Eugenia Aguilera García, Eric Andrieu, José Bové, Paul Brannen, Daniel Buda, Nicola Caputo, Viorica Dăncilă, Michel Dantin, Paolo De Castro, Albert Deß, Diane Dodds, Herbert Dorfmann, Norbert Erdős, Edouard Ferrand, Luke Ming Flanagan, Beata Gosiewska, Martin Häusling, Anja Hazekamp, Esther Herranz García, Jan Huitema, Peter Jahr, Jarosław Kalinowski, Elisabeth Köstinger, Philippe Loiseau, Mairead McGuinness, Giulia Moi, Ulrike Müller, James Nicholson, Maria Noichl, Laurențiu Rebegea, Jens Rohde, Bronis Ropè, Jordi Sebastià, Lidia Senra Rodríguez, Czesław Adam Siekierski, Janusz Wojciechowski, Marco Zullo						
Substitutes present for the final vote	Pilar Ayuso, Jørn Dohrmann, Norbert Lins, Momchil Nekov, Stanislav Polčák, Annie Schreijer-Pierik, Molly Scott Cato, Hannu Takkula, Valdemar Tomaševski						