



2019/2028(BUD)

6.9.2019

OPINION

of the Committee on Agriculture and Rural Development

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2020
(2019/2028(BUD))

Rapporteur for opinion: Paolo De Castro

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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. Takes note of the EUR 59 994,9 million in commitments and EUR 58 014,3 million in payments that the Commission proposes in the Draft Budget 2020 for Heading 2, of which European Agricultural Guarantee Fund appropriations are slightly increased to EUR 43 531,8 million in commitments (+0,8 %) and to EUR 43 501,7 million in payments (+0,9 %) compared to the Budget 2019; deeply regrets that the European Agricultural Fund for Rural Development (EAFRD) appropriations are reduced to EUR 14 708,7 million in commitments (-0,1 %) and EUR 13 141,2 million (-0,1 %) in payments compared to the Budget 2019, mostly due to a stagnation in the nominal term of the EAFRD as such and a strong decrease in Support Expenditures;
2. Insists that any revenue to the Union budget deriving from any assigned revenues or repayments of irregularities from agriculture in previous years should remain under Heading 2;
3. Insists that there should be no further cuts to the agricultural budget, especially given the fact that the agricultural sector is frequently affected by crises that require a budgetary response;
4. Notes that budgetary year 2020 is the last one of the current multiannual financial framework period and therefore stresses the importance of preparation and smooth adaptation to the new financial period, in which a fair standard for living of farmers must be ensured;
5. Is deeply concerned about the budgetary consequences of a “no-deal Brexit” and, since farmers need to plan their activity in advance, strongly opposes any unexpected cut in common agricultural policy (CAP) allocations in 2020 in case there is no agreement between the Union and the United Kingdom;
6. Underlines that the Union budget must be coherent with the objectives of the Paris Agreement under the United Nations Framework Convention on Climate Change, adopted in December 2015;
7. Rejects the reduction in appropriations proposed by the Commission for producer organisations in the fruit and vegetable sector (- EUR 14,6 million), which could have a negative impact on their growing contribution to rebalance the bargaining power in the food supply chain as the farmers will be directly affected; in this regard, considers that the Commission should ensure that the payments for this sector will not be reduced; regrets the absence of appropriations for the poultry meat sector and suggests allocating funds in the section 'Other measures for pigmeat, poultry, eggs, beekeeping, other animal products' to support the poultry sector as it suffers from unfair trade distortion with Ukraine;
8. Regrets the lack of compensation for the reduction of appropriations proposed by the

Commission for fruit and vegetable producers in the Union, which is a sector facing a serious crisis, due to phytophagous or pathological agents such as the *Tristeza* virus for oranges, the *Mal secco* for lemons, *Tuta absoluta* for tomatoes and *Xylella fastidiosa* for olive trees; asks therefore that, despite the reductions in appropriations, a citrus funding plan be envisaged in order to support the costs of reconversion of the current citrus and olive groves with varieties of the same plants that are more resistant, allowing a real relaunch of the sector;

9. Welcomes the Commission proposal to allocate EUR 50 million to ‘Other measures for beef and veal’ in order to support the beef sector in Ireland in case of market difficulties linked to the United Kingdom’s potential withdrawal from the Union; stresses that the United Kingdom’s withdrawal from the Union will also have a significant negative impact across several agricultural sectors in the Union; asks the Commission to propose a support plan based on a proper impact assessment, sector by sector and Member State by Member State, for all the Union agricultural sectors likely to be affected by the withdrawal of the United Kingdom from the Union and extend that plan to affected Member States in accordance with their degree of exposure; considers that, in order to be effective, the plan must include structural measures aimed at strengthening the organisation of those sectors and promoting the diversification of trade flows;
10. Considers that the trade agreement between the Union and Mercosur will create additional stress for those agricultural sectors and asks therefore the Commission to set out in detail by the end of 2019 the content of the EUR 1 billion Union support plan announced on 28 June 2019, aimed at enabling sensitive agricultural sectors in the Union to cope with the potential negative impact of that trade agreement, in the event that it is ratified;
11. Highlights the budgetary inefficiency in supporting sensitive sectors whilst at the same time opening them up to further competition and risk of market instability, in particular through bilateral free trade agreements; notes in addition the long-term erosion of traditional own resources in the Union budget, caused in particular by the decrease in customs duties as a result of free trade agreements;
12. Takes note of the proposal of the Commission to assist farmers with a financial support package of up EUR 1 billion in the event of market disturbance from the Union’s trade agreement with Mercosur; insists that those funds should not be extracted from any existing agricultural budget line;
13. Is concerned by the current crisis in the sugar sector following the elimination of the quota system and by the recent announcement of eight factory closures in the Union; regrets the lack of funds allocated to support that sector; considers that, in the absence of intervention by the public authorities, private actors must be allowed to take private initiatives to regulate production on a voluntary basis; proposes in this context that the Commission assess in the light of the new production season the possibility of triggering budget-neutral measures, available under Article 222 of Regulation (EU) No 1308/2013 of the European Parliament and of the Council¹ authorising farmers, their

¹ Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 (OJ L 347 20.12.2013, p.

organisations and recognised interbranch organisations to enter into collective agreements in order to withdraw from the market, store or reduce their production in a concerted manner;

14. Welcomes the increased funding proposed by the Commission for promotion measures, which confirms the effectiveness of the improvements made by the last reform; considers that Commission should keep on reinforcing the promotion campaigns to open new markets for quality products as promotion measures are crucial to expanding the share of Union exports on markets across the world;
15. Regrets the absence of support to farmers for measures, in particular in the milk and dairy sector, which faces continuing market difficulties due to the Russian import ban on a range of Union agricultural products ('the Russian embargo');
16. Recalls that for the last five years Union agricultural sectors have been suffering from the effects of the Russian embargo; stresses that any additional effects on agricultural trade flows linked to the United Kingdom's withdrawal from the Union might cause further disturbance, and asks for additional appropriations for exceptional measures where needed;
17. Believes that the Union can make a vital contribution to the promotion of healthy eating habits, especially among children, and therefore considers it essential to make full use of the ceilings provided for in relation to the Union school schemes, as well as to develop additional schemes for sustainable consumption in the current Regulation; therefore calls on the Member States to strengthen their national programmes to ensure full utilisation of the maximum available allocations (EUR 250 million) by establishing less bureaucratic programmes;
18. Welcomes the increased support for research and innovation dedicated to the supply of safe and high quality food and food security; stresses that it is essential that funds earmarked for research in the agri-food sector, in particular from the Horizon 2020 budget, remain fully available as such in order to stimulate innovation and smart solutions, in particular through agroecological research, with a whole agroecosystem approach, in the agricultural and rural development sectors; underlines the importance of practical applicability of results at farm level and the role of agricultural extension services; highlights that research policy should maintain coherence with environmental, climate, biodiversity, health and welfare policy objectives, and incentivise and support initiatives tailored to the needs of smallholdings without economies of scale, so that they may benefit from new technologies; underlines the need to enhance the link between research and practice, by involving primary producers and disseminating knowledge and best practices;
19. Calls on the Commission to provide sufficient financial support for the further uptake of smart and innovative solutions in the agricultural sector, given their proven environmental benefits and need for greater agricultural efficiency; considers that precision farming and the use of digitisation should be further analysed and promoted;
20. Taking into account that the Union remains vulnerable to outbreaks of animal and plant

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diseases, deplors the 60 % reduction in the appropriations of the fund for emergency measures related to animal and plant health;

21. Notes with serious concern the severe impact of the spread of African swine fever (ASF) to several Member States and the great number of outbreaks registered since the beginning of 2019; is concerned that big pig holdings have been affected with tens of thousands of animals being culled; regrets therefore the lack of allocations for preventing and combating ASF, underlining that the Union budget for 2019 allocated EUR 28 million for that purpose; stresses that at least a similar allocation should be included in the Union budget for 2020; takes note that third countries have invested in research for developing a vaccine against ASF; is of the opinion that the Union should be investing in research and development of a vaccine, which would help eradicate the spread and occurrence of ASF in the shortest possible time;
22. Encourages Member States to increase support for establishing young farmers, in line with the objective of a better contribution to the generational renewal of farmers in the Union;
23. Highlights the importance of rural development commitments and spending for agri-environmental measures and the wider rural economy, particularly the importance of initiatives to target and support young farmers;
24. Welcomes the funding of new pilot projects which are essential for reflection on the future of the CAP, namely projects to develop a toolbox for integrated pest management for farmers, to promote 'Smart Villages' and to set up an operational programme in the livestock sector;
25. Asks for the maintenance of the appropriations for POSEI programmes at the maximum levels laid down in Union law, underlining the relevance of those programmes for the resilience of agricultural producers and highlights the fragile economic situation of the outermost regions, which are still strongly hit by the crisis.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	4.9.2019
Result of final vote	+: 39 -: 5 0: 1
Members present for the final vote	Mazaly Aguilar, Álvaro Amaro, Eric Andrieu, Attila Ara-Kovács, Carmen Avram, Adrian-Dragoş Benea, Benoît Biteau, Mara Bizzotto, Daniel Buda, Matt Carthy, Asger Christensen, Dacian Cioloş, Ivan David, Paolo De Castro, Jérémy Decerle, Diane Dodds, Herbert Dorfmann, Luke Ming Flanagan, Dino Giarrusso, Martin Häusling, Martin Hlaváček, Krzysztof Jurgiel, Jarosław Kalinowski, Elsi Katainen, Gilles Lebreton, Norbert Lins, Marlene Mortler, Ulrike Müller, Juozas Olekas, Sheila Ritchie, Bronis Ropė, Bert-Jan Ruissen, Anne Sander, Petri Sarvamaa, Annie Schreijer-Pierik, Veronika Vrecionová, Sarah Wiener, Juan Ignacio Zoido Álvarez
Substitutes present for the final vote	Atidzhe Alieva-Veli, Franc Bogovič, Lena Düpont, Estrella Dura Ferrandis, Ivo Hristov, Jan Huitema, Anthea McIntyre, Joëlle Mélin, Tilly Metz, Daniela Rondinelli, Christine Schneider, Marc Tarabella, Irène Tolleret

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

39	+
ECR	Mazaly Aguilar, Krzysztof Jurgiel, Anthea McIntyre, Veronika Vrecionová
GUE/NGL	Matt Carthy, Luke Ming Flanagan
ID	Mara Bizzotto, Gilles Lebreton, Joëlle Mélin
NI	Diane Dodds, Dino Giarrusso
PPE	Álvaro Amaro, Franc Bogovič, Daniel Buda, Herbert Dorfmann, Lena Düpont, Jarosław Kalinowski, Norbert Lins, Marlene Mortler, Anne Sander, Petri Sarvamaa, Annie Schreijer-Pierik, Juan Ignacio Zoido Álvarez
Renew	Asger Christensen, Dacian Cioloș, Jérémy Decerle, Martin Hlaváček, Elsi Katainen, Ulrike Müller, Sheila Ritchie
S&D	Eric Andrieu, Attila Ara-Kovács, Carmen Avram, Adrian-Dragoș Benea, Paolo De Castro, Estrella Dura Ferrandis, Ivo Hristov, Juozas Olekas, Marc Tarabella

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Verts/ALE	Benoît Biteau, Martin Häusling, Tilly Metz, Bronis Ropė, Sarah Wiener

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ID	Ivan David

Key to symbols:

+ : in favour

- : against

0 : abstention