



2015/0000(BUD)

26.6.2015

DRAFT OPINION

of the Committee on Agriculture and Rural Development

for the Committee on Budgets

on the General Budget of the European Union for the financial year 2016 – all sections
(2015/0000(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. Regrets the fact that, given the ceiling imposed by the 2014-2020 Multiannual Financial Framework (MFF) for Heading 2, major categories of common agricultural policy (CAP) spending are likely, in practice, to be cut in 2016, including direct payments and market measures;
2. Takes note in this regard of the proposed EUR 63.1 billion in commitments (-0.1 % compared with 2015, with the impact of the reprogramming neutralised) and EUR 55.9 billion in payments (-0.2 %) under the Draft Budget (DB) 2016 for Heading 2;
3. Notes that DB 2016 leaves a margin of EUR 1.2 billion under the ceiling for commitments and a margin of EUR 1.1 billion under the sub-ceiling for the European Agricultural Guarantee Fund (EAGF); insists that the margin remain within Heading 2 to address any possible forthcoming crisis within the agricultural sector; awaits the Commission's Letter of Amendment, expected in October 2015, which should be based on updated information on EAGF funding;
4. Underlines that DB 2016 is the first year of full implementation of direct payments introduced by Regulation (EU) No 1307/2013; takes note in this context of the decrease of the EAGF's budget by 1.4 % in commitments and appropriations, owing to transfers between the two pillars of the CAP;
5. Notes that under DB 2016 funding for rural development under the European Agricultural Fund for Rural Development (EAFRD) would see an increase of 2.8 % in commitments and 6.3 % in payments; stresses, however, that the increase is a logical effect of the late programming of the new programmes in the period 2014-2020 and the finalisation of the programmes from 2007-2013;
6. Welcomes the measures to bring the level of unpaid commitments under control and considers them a precondition for making a successful start to the programming period 2014-2020; calls urgently, therefore, on the Council and the Member States to take all necessary steps to cover pending payment claims;
7. Regrets the cuts made to the budget for intervention in the agricultural markets compared with 2015; disagrees with the Commission that emergency measures related to the Russian embargo on imports from the EU of certain agricultural products be limited to 2015 only, given Russia's expressed intention to extend the ban on imports until early 2016; is concerned that further market interventions will be necessary in 2016 as a consequence, to support EU farmers hit by the embargo;
8. Insists on the need to provide funds to compensate for the economic losses suffered by farmers due to market crises and sanitary or phytosanitary crises such as *Xylella fastidiosa*, and reiterates the need to use the available margins under Heading 2 to this effect;

9. Regrets the proposed cuts of EUR 2 million for the school milk programme from EUR 77 million in the 2015 appropriation to EUR 75 million in the DB for 2016; recalls Parliament's request for an increase of EUR 20 million a year for this scheme; welcomes the small increase in the school fruit scheme to EUR 150 million; stresses that both programmes have proven to be useful and efficient within the Member States and underlines their importance given the current crisis and levels of child malnutrition in the Union;
10. Insists that any revenue accruing to the EU budget deriving from the super levy or any other assigned revenues from agriculture in 2014/2015 remain under Heading 2;
11. Calls on the Commission and the Member States to ensure that funds allocated to the reserve for crises in the agricultural sector in the 2016 budget, which are subsequently left unspent, remain in full under Heading 2 for the following budget year for direct payments to farmers, as provided for in Regulation (EU) No 1306/2013;
12. Calls on the Commission and the Member States to monitor, in a timely way, the significant price volatility of agricultural products, which has adverse effects on farmers' incomes, and to react promptly and effectively when needed;
13. Welcomes the level of funds allocated to support beekeeping, as Parliament has consistently viewed beekeeping as a priority for the future of agriculture and for conservation of biodiversity;
14. Highlights the objectives of increasing the competitiveness and sustainability of European agriculture, and asks for resources to be provided in order to fulfil these objectives.