



2016/2034(INI)

25.5.2016

DRAFT OPINION

of the Committee on Budgets

for the Committee on Agriculture and Rural Development

on CAP tools to reduce price volatility in agricultural markets
(2016/2034(INI))

Rapporteur: Nedzhmi Ali

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SUGGESTIONS

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

- A. whereas the recent bouts of extreme price volatility in global agricultural markets portend rising and more frequent threats to world food security;
 - B. whereas high levels of price and income volatility for farmers are related to the market fundamentals of supply and demand, but can be intensified by other macro-economic variables, the broad political and legislative environment, and speculation on agricultural products which, when sold as financial assets, are exposed to shocks on related commodity markets (such as the energy and metal markets);
 - C. whereas the increased vulnerability is being triggered by an increase in extreme weather events and the impact of climate change on agricultural production levels, as well as by structural factors such as energy and fertiliser prices, exchange rates or interest rates;
- 1. Emphasises that the EU is both the world's largest importer and exporter of agri-food products, but the options of using CAP rural development programmes (RDs) to contribute towards insurance, mutual funds and income stabilisation schemes for farmers have not been very successful;
 - 2. Calls for better synergies between CAP and other EU policies, in particular regarding energy, water supply, land use, biodiversity and ecosystems, and the development of remote and mountainous areas;
 - 3. Calls for the creation of a system to protect farmers' incomes through the use of 'risk management' tools, changing the efforts undertaken so far in the 2014-2020 CAP reform;
 - 4. Urges the Commission and the Member States to monitor the significant price volatility of agricultural products by improving the European Food Prices Monitoring Tool (FPMT).