



2017/2044(BUD)

31.8.2017

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 2018
(2017/2044(BUD))

Rapporteur: Tibor Szanyi

PA_NonLeg

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. Notes the proposed EUR 59,5 billion in commitments which represent a 1,7 % increase compared to 2017, and a 2,6 % increase in payments amounting to EUR 56,3 billion under the Draft Budget (DB) 2018 for Heading 2; notes, however, that the increase is mainly attributable to the lower amount of assigned revenue estimated to be available to the EAGF in the DB 2018 compared to the 2017 budget, amongst others as last instalments of significant past clearance decisions are due in 2017;
2. Welcomes the fact that commitment appropriations for the European Agricultural Fund for Rural Development basically remain at the same level as in the 2017 budget, while the requested payment appropriations are actually increasing;
3. Notes that the main reason for no significant changes in the DB 2018 compared to the 2017 budget is that the majority of common agricultural policy (CAP) expenditure concerns pre-allocated Member State envelopes which show a relatively stable level of execution of the support over the years;
4. Notes that the 2017 budget includes the financing for the EUR 500 million solidarity package for the dairy and other livestock sectors, while the decrease in support for that market measure will not have an impact on the 2018 budget;
5. Underscores the importance of developing new markets for maintaining competitiveness and increasing the resistance of Union agriculture to market crises such as in the case of Russia embargo; calls therefore for the financial support of market development;
6. 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, given the uncertain circumstances the agricultural sector is faced with; recalls in that respect that the Russian embargo has not been lifted and has severe negative effects notably for the fruit and vegetables sector and the dairy sector; calls therefore on the Commission to provide effective support to sectors affected by those crises and for the creation of a new crisis reserve that does not rely on an annual financial discipline mechanism for its funding so that it can react in a timely manner to crisis situations that emerge;
7. Highlights that administrative costs have to be secured for the CAP, especially to guarantee timely payments and to maintain adequate levels of effective control; insists that further cuts in administrative staff numbers can lead to higher delays and risks of error, and can jeopardise the implementation and objectives of the CAP; believes that further simplification, transparent and efficient management system and reducing red tape in the delivery of the CAP is necessary; stresses that decreases in the budget for administrative costs should not in any way lead to a transfer of the administrative burden onto farmers;

8. Asks the Commission to ensure uniform application of the criteria of the active farmers clause with a view to the simplified but more reliable identification of those farmers;
9. Highlights the importance of the rural development commitments and spending, and their potential for the creation of economic activity and jobs particularly in peripheral areas with higher unemployment rates, especially for younger generations; insists that the initiatives targeting young farmers, including region-specific programmes, should be maintained, which would support innovation and the necessary generation renewal; considers that support for young people should focus on their present needs, while avoiding to encourage them to take on excessive debt; highlights the European Parliaments' position on the young farmer scheme in the proposed “Omnibus” regulation, which aims to allow for full uptake of the young farmer scheme;
10. Welcomes the school milk and fruit schemes as a successful measure and stresses that the schemes contribute to children eating healthily and that the funds for them should therefore remain in the long term;
11. Calls on the Commission and the Member States to monitor, in a timely manner, the price volatility of agricultural products, which has adverse effects on farmers' incomes, and to react promptly and effectively when needed;
12. Highlights the importance of pilot projects to the agricultural and rural development sectors in recent years; therefore asks for continued support for ongoing and new pilot projects; calls on the Commission to carry out an ex-post evaluation of the efficiency and benefits of pilot projects and preparatory actions; insists that the Commission launches calls for projects as soon as the budget procedure is completed;
13. Stresses the importance of identifying support measures to enhance the role of farmers in the supply chain, as well as ways of encouraging farmer organisations;
14. Calls on the Commission to take into consideration the modifications put forward by the European Parliament to the “Omnibus” proposal in order to modernise and simplify the CAP and to secure finance for them in the 2018 budget on behalf of farming communities, including small and medium-sized family holdings and younger farmers;
15. 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 and enhance innovation and smart solutions in the agricultural and rural development sectors, as is the case with funds from the Connecting Europe Facility (CEF) to enable broadband to be installed in rural areas; underlines the importance of practical applicability of results at farm level and the role of agricultural extension services; notes that integrated 'smart' solutions – such as smart villages, precision farming, digitalisation, the shared and circular economy, and social initiatives – can contribute to agriculture and overall well-being in rural areas; urges the Commission to plan funding for 'smart' approaches in the light of the CAP reform and the Cork 2.0 Declaration; highlights the fact that those 'smart' solutions should maintain coherence with environment, climate and biodiversity policy objectives, ensure close cooperation with relevant stakeholders from all Member States; stresses the importance of investing in precision agriculture with a view to streamlining production methods and reducing losses and of incentivising and supporting initiatives tailored to the needs of

smallholdings without economies of scale so that they can benefit from new technologies;

16. Welcomes the increase in appropriations intended to combat animal diseases and plant pests to EUR 40 million, as the Union is facing significant risks and increases in outbreaks of diseases such as *Xylella fastidiosa*, nodular dermatosis, African swine fever, bluetongue and Bird Influenza; believes that extra funding should be made available to the European Food Safety Authority to carry out comprehensive independent research, including into the effects of pesticides; calls for additional funding to be earmarked for the farmers in the olive-growing and olive oil sector who have suffered by the *Xylella fastidiosa* outbreak, to step up prevention measures in Europe and to restructure the sector and consolidate scientific research into the pathogen and its carrier;
17. 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 in cooperation with Heading 3 to this effect; insists that compensation for eradication should also cover rehabilitation of agroecosystems including the soil, as well as establishing robust biological diversity, especially ensuring genetic diversity of the planting stock that ideally includes resistance to or tolerance of the disease or pest; indeed, considers that one of the aims of any aid granted should be to ensure balanced, biologically diverse agro-ecosystems and landscapes that are less susceptible to future attacks;
18. Stresses that storage programmes have proved effective in times of crisis and that a reduction in the financial resources earmarked in the planning process would be counter-productive;
19. Notes that Brexit has no direct impact on the DB 2018; regrets however that the Reflection paper on the future of EU finances¹ is drawing up some critical scenarios for agriculture and rural development partly due to the withdrawal of the United Kingdom from the Union; therefore calls on the Commission and the Member States to show responsibility towards the CAP budget during the ongoing discussions, keeping in mind also possible trade flow disruptions; stresses that it is firmly opposed to any cuts in agricultural funding; therefore calls on the Commission to put forward a proposal to maintain Union financing of agriculture in the next MFF, taking into consideration the sector's considerable capacity to keep hold of and create jobs, and to start looking for new financial resources for the Union budget as proposed by Mario Monti's High-Level Group without delay;
20. Points out in particular that agriculture policy is a common policy and any cuts to the CAP budget would have disproportionate effects as they cannot be substituted by national funds due to state aid rules.

¹ https://ec.europa.eu/commission/publications/reflection-paper-future-eu-finances_en

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	30.8.2017
Result of final vote	+: 35 -: 1 0: 6
Members present for the final vote	John Stuart Agnew, Clara Eugenia Aguilera García, Daniel Buda, Matt Carthy, Viorica Dăncilă, Michel Dantin, Jean-Paul Denanot, Albert Deß, Diane Dodds, Jørn Dohrmann, Herbert Dorfmann, Norbert Erdős, Luke Ming Flanagan, Martin Häusling, Esther Herranz García, Jan Huitema, Peter Jahr, Ivan Jakovčić, Jarosław Kalinowski, Zbigniew Kuźmiuk, Philippe Loiseau, Mairead McGuinness, Giulia Moi, Ulrike Müller, James Nicholson, Maria Noichl, Marijana Petir, Laurențiu Rebeca, Bronis Ropė, Maria Lidia Senra Rodríguez, Ricardo Serrão Santos, Czesław Adam Siekierski, Tibor Szanyi, Marc Tarabella, Marco Zullo
Substitutes present for the final vote	Bas Belder, Franc Bogovič, Maria Heubuch, Karin Kadenbach, Gabriel Mato, Momchil Nekov, Massimo Paolucci, Estefanía Torres Martínez, Tom Vandenkendelaere

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

35	+
ALDE	Ivan Jakovčić, Ulrike Müller
ECR	Bas Belder, Jørn Dohrmann, Zbigniew Kuźmiuk, James Nicholson
EFDD	Giulia Moi, Marco Zullo
ENF	Laurențiu Rebega
GUE/NGL	Matt Carthy, Luke Ming Flanagan, Estefanía Torres Martínez
PPE	Franc Bogovič, Daniel Buda, Michel Dantin, Albert Deß, Herbert Dorfmann, Norbert Erdős, Esther Herranz García, Peter Jahr, Jarosław Kalinowski, Mairead McGuinness, Marijana Petir, Czesław Adam Siekierski, Tom Vandenkendelaere
S&D	Clara Eugenia Aguilera García, Jean-Paul Denanot, Viorica Dăncilă, Karin Kadenbach, Momchil Nekov, Maria Noichl, Massimo Paolucci, Ricardo Serrão Santos, Tibor Szanyi, Marc Tarabella

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EFDD	John Stuart Agnew

6	0
ALDE	Jan Huitema
GUE/NGL	Maria Lidia Senra Rodríguez
NI	Diane Dodds
Verts/ALE	Maria Heubuch, Martin Häusling, Bronis Ropé

Key to symbols:

+ : in favour

- : against

0 : abstention