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REPORT

on the proposal for a Council regulation amending Regulation (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and repealing Regulation (EC) No 2826/2000
(COM(2003) 23 – C5-0041/2003 – 2003/0007(CNS))

Committee on Agriculture and Rural Development

Rapporteur: Karl Erik Olsson

Symbols for procedures

- * Consultation procedure
majority of the votes cast
- **I Cooperation procedure (first reading)
majority of the votes cast
- **II Cooperation procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- *** Assent procedure
*majority of Parliament's component Members except in cases
covered by Articles 105, 107, 161 and 300 of the EC Treaty and
Article 7 of the EU Treaty*
- ***I Codecision procedure (first reading)
majority of the votes cast
- ***II Codecision procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- ***III Codecision procedure (third reading)
majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission)

Amendments to a legislative text

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

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PROCEDURAL PAGE

By letter of 10 February 2003 the Council consulted Parliament, pursuant to Article 37 of the EC Treaty, on the proposal for a Council regulation amending Regulation (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and repealing Regulation (EC) No 2826/2000 (COM(2003) 23 – 2003/0007(CNS)).

At the sitting of 13 February 2003 the President of Parliament announced that he had referred the proposal to the Committee on Agriculture and Rural Development as the committee responsible and the Committee on Budgets, the Committee on the Environment, Public Health and Consumer Policy and the Committee on Regional Policy, Transport and Tourism for their opinions (C5-0041/2003).

The Committee on Agriculture and Rural Development appointed Karl Erik Olsson rapporteur at its meeting of 23 January 2003.

The committee considered the Commission proposal and draft report at its meetings of 18 February 2003, 7 April 2003, 24 April 2003 and 20 May 2003.

At the last meeting it adopted the draft legislative resolution by 31 votes to 1, with 2 abstentions.

The following were present for the vote: Joseph Daul, chairman; Friedrich-Wilhelm Graefe zu Baringdorf, Albert Jan Maat and María Rodríguez Ramos, vice-chairmen; Karl Erik Olsson (rapporteur); Gordon J. Adam, Danielle Auroi, Alexandros Baltas (for María Izquierdo Rojo), Carlos Bautista Ojeda, Niels Busk, Giorgio Celli, Arlindo Cunha, Christel Fiebiger, Francesco Fiori, Christos Folias, Marco Formentini (for Giovanni Procacci, pursuant to Rule 153(2)), Jean-Claude Fruteau, Georges Garot, Lutz Goepel, María Esther Herranz García (for Encarnación Redondo Jiménez), Liam Hyland, Elisabeth Jeggle, Salvador Jové Peres, Hedwig Keppelhoff-Wiechert, Heinz Kindermann, Dimitrios Koulourianos, Wolfgang Kreissl-Dörfler (for Willi Görlach), Vincenzo Lavarra, Véronique Mathieu, Xaver Mayer, Neil Parish, Mikko Pesälä, Agnes Schierhuber, Dominique F.C. Souchet and Robert William Sturdy.

The opinion of the Committee on Budgets is attached.

The Committee on the Environment, Public Health and Consumer Policy decided on 19 March 2003 not to deliver an opinion and the Committee on Regional Policy, Transport and Tourism decided on 24 April 2003 not to deliver an opinion.

The report was tabled on 22 May 2003.

DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a Council regulation amending Regulation (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and repealing Regulation (EC) No 2826/2000 (COM(2003) 23 – C5-0041/2003 – 2003/0007(CNS))

(Consultation procedure)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2003) 23)¹,
 - having regard to Article 37 of the EC Treaty, pursuant to which the Council consulted Parliament (C5-0041/2003),
 - having regard to Rule 67 of its Rules of Procedure,
 - having regard to the report of the Committee on Agriculture and Rural Development and the opinion of the Committee on Budgets (A5-0182/2003),
1. Approves the Commission proposal as amended;
 2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;
 3. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
 4. Asks the Council to consult Parliament again if it intends to amend the Commission proposal substantially;
 5. Instructs its President to forward its position to the Council and Commission.

Text proposed by the Commission

Amendments by Parliament

Amendment 1

TITLE OF THE PROPOSAL FOR A REGULATION

COUNCIL REGULATION

amending Regulation (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) ***and repealing Regulation (EC) No 2826/2000.***

COUNCIL REGULATION

amending Regulation (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF).

¹ Not yet published in the OJ.

Justification

Regulation (EC) No 2826/2000 covers promotional activities carried out by professional and/or interprofessional organisations representing a sector or sectors, with priority being given to activities involving more than one Member State. These are large-scale activities which would be difficult for producer groups to carry out on their own. There is no duplication of activities given that the regulations cover different types of information and promotional activities.

Amendment 2

RECITAL 1 A (new)

(1a) A strong, effective and comprehensive rural development policy accompanied by adequate funding is a prerequisite to enable the Union to ensure satisfactory development in less-favoured areas facing structural difficulties or with low yields while at the same time enhancing the overall competitiveness of EU agriculture.

Justification

A strong rural development policy is very much in line with the mid-term review objective of adapting agriculture to the world market and making the agricultural sector competitive. Unless rural development is properly funded, the measures adopted as part of the mid-term review may result in an unacceptable fall in production and high social costs in less-favoured agricultural areas facing structural difficulties or with low yields.

Amendment 3

RECITAL 1 B (new)

(1b) The Union must give increased support to the conditions required for satisfactory rural development in less-favoured areas. This must involve both stepping up percentage investment in fragile or especially fragile areas and raising the level of aid for less-favoured areas facing structural difficulties or with low yields. In a context of reform of the agricultural policy it is even more important for the Community to support possible ways of maintaining activity in these areas.

Justification

Self-explanatory.

Amendment 4

RECITAL 1 A (new)

(1 a) Fragile or especially fragile regions and environmentally sensitive areas must be given more support in the framework of this regulation. This should take the form, for example, of encouragement for extensive grazing in grassland locations, encouragement for farming crops that promote biodiversity and counteract soil erosion in the Mediterranean region, etc., with higher co-financing rates (up to 80%) than in more favoured locations.

Justification

Self-explanatory.

Amendment 5

RECITAL 2

(2) A more rapid implementation in the agricultural sector of demanding standards based on Community legislation concerning the environment, public, animal and plant health, animal welfare and occupational safety should be promoted. Those standards may impose new obligations on farmers giving rise to a loss of income or additional costs. Temporary and degressive support should be provided to farmers to help cover partly the costs arising from the implementation of such standards.

(2) A more rapid implementation in the agricultural sector of demanding standards based on Community legislation concerning the environment, public, animal and plant health, animal welfare and occupational safety should be promoted. Those standards may impose new obligations on farmers giving rise to a loss of income or additional costs. Temporary and degressive support should be provided to farmers to help cover partly the costs arising from the implementation of such standards. ***Such support must be greater, permanent and stable in less-favoured areas facing structural difficulties or with low yields.***

Justification

It is important to ensure that farms in less-favoured areas facing structural difficulties or with low yields are able to continue in business and that intergenerational transfers continue.

Amendment 6

RECITAL 2 A (new)

(2a) The objectives of the common agricultural policy and the strengthening of rural development must rest in particular on land-based family farms.

Justification

It is vital to take account of land-based family farms in the common agricultural policy.

Amendment 7

RECITAL 3 A (new)

3a. With a view to the implementation of this Regulation in the enlarged Union a new typology of rural areas must be established, with different Community cofinancing percentages for different levels of rural activity and development. The Commission should submit proposals in this connection by 1 January 2004.

Justification

Enlargement will remove some regions from Objective 1, which will mean that their rural areas will lose some Community funding. The above typology would make it possible to lay down Community cofinancing percentages really based on the areas' levels of rural activity and economic development.

Amendment 8

RECITAL 6

(6) Experience has shown that the range of instruments to promote food quality in rural development policy needs to be reinforced.

(6) Experience has shown that the range of instruments to promote food quality in rural development policy needs to be reinforced.

Care should be taken in particular to ensure that support measures, in the context of consumer preference, multifunctionality of farms and

diversification of the food product supply, are directed towards 'food quality', both from the point of view of environmentally friendly and species-appropriate production methods and from that of protecting and making active use of the biological diversity of plant and animal species in agriculture. Information and dialogue-promoting measures which mediate between the expectations and claims of the various players in rural society and have an influence on rural development programmes should be included in the catalogue of rural development measures.

Justification

Self-explanatory.

Amendment 9
RECITAL 7

(7) Farmers should be encouraged to participate in Community or national food quality schemes. Participation in such schemes can give rise to additional costs and obligations which are not fully rewarded by the marketplace. **Temporary** support should be provided to farmers who participate in such schemes.

(7) Farmers should be encouraged to participate in Community or national food quality schemes. Participation in such schemes can give rise to additional costs and obligations which are not fully rewarded by the marketplace. Support should be provided to farmers who participate in such schemes.

Justification

The investments involved in joining quality schemes can be substantial and long-term. How long it takes to qualify may vary.

Amendment 10
RECITAL 8

(8) There is a need to improve consumers' awareness of the existence and specifications of products produced under Community or national food quality schemes. Support should be provided to

(8) There is a need to improve consumers' awareness of the existence and specifications of products produced under Community or national food quality schemes. Support should be provided to

producer groups to inform consumers and promote products provided under schemes supported by Member States within their rural development plans. ***In order to ensure there is no scope for duplication of agricultural promotion activities on the internal market, Community support foreseen by Council Regulation (EC) No 2826/2000 on information and promotion actions for agricultural products on the internal market should be suppressed from 2005.***

producer groups to inform consumers and promote products provided under schemes supported by Member States within their rural development plans.

Justification

Regulation (EC) No 2826/2000 covers promotional activities carried out by professional and/or interprofessional organisations representing a sector or sectors, with priority being given to activities involving more than one Member State. These are large-scale activities which would be difficult for producer groups to carry out on their own. There is no duplication of activities given that the regulations cover different types of information and promotional activities.

Amendment 11

RECITAL 8 a (new)

(8a) By virtue of the emphasis placed on participation, a holistic approach and creativity, Leader+ has stimulated the development of rural areas and should be strengthened.

Justification

Leader+ is a Community initiative which, by virtue of its holistic, bottom-up approach, has had a positive impact on development in many areas. The forthcoming financial perspective for the Structural Funds should also make provision for the Leader programme or a similar initiative.

Amendment 12

RECITAL 9 a (new)

(9a) There is a need to incorporate under the second pillar measures designed to encourage the establishment of economic organisations controlled by agricultural producers with a view to ensuring that

these organisations achieve a certain size and coping with the challenge posed by the opening-up of international markets and the concentration of distribution. Such support is particularly appropriate in the run-up to the enlargement, given that, in the future Member States, organised producers control only a minority of agricultural production.

Justification

The objective is to overcome the structural shortcomings noted in some regions as regards the supply and marketing of agricultural products by encouraging the establishment and launching of producer organisations. The enlargement of the European Union will make the implementation of such measures particularly necessary.

Amendment 13

RECITAL 9 A (new)

(9a) The granting of special benefits to young farmers must facilitate not just their setting up in business but also the subsequent structural adjustment of their farms. Furthermore, intergenerational transfers must be safeguarded.

Justification

Self-explanatory.

Amendment 14

ARTICLE 1, PARAGRAPH –1 (new)

Article 2, indent 3 (Regulation (EC) No 1257/1999)

- the encouragement of the production, using environment-friendly farming methods, of raw materials intended for non-food uses,

Justification

European agriculture needs to play an increasingly important role in the production, using environment-friendly methods, of raw materials intended for non-food uses. This would enable new economic activities to be developed in rural areas. This form of production should therefore be encouraged under rural development policy.

Amendment 15

ARTICLE 1 PARAGRAPH -1 (new)
Title I, Article 2, tenth indent (Regulation (EC) 1257/1999)

- maintaining and promoting a high degree of natural value and sustainable and environmentally friendly agriculture; maintaining and using the biological and genetic diversity of crops and animals in production,

Justification

Self-explanatory.

Amendment 16

ARTICLE 1, PARAGRAPH –1 A (new)
Article 2, indent 12 (new) (Regulation (EC) No 1257/1999)

- the need to safeguard intergenerational transfers,

Justification

Self-explanatory.

Amendment 17

ARTICLE 1 PARAGRAPH -1 C (new)
Title II, Chapter I, Article 4, second paragraph, second indent (Regulation (EC) 1257/1999)

- improving and converting production with a view to good agricultural practice and diversification of production,

Justification

Self-explanatory.

Amendment 18

ARTICLE 1 PARAGRAPH -1 B (new)
Title II, Chapter I, Article 4, second paragraph, third indent (Regulation (EC) 1257/1999)

- improving the quality of foodstuffs and primary products and their processing on

farms,

Justification

Self-explanatory.

Amendment 19

ARTICLE 1, POINT –1 (new)

Article 4, second paragraph, indent 3 a (new) (Regulation (EC) No 1257/1999)

– to introduce inputs of confirmed quality,

Justification

The use of high-quality inputs, e.g. seeds, is one important element in improving quality.

Amendment 20

ARTICLE 1 PARAGRAPH -1 C (new)

Title II, Chapter I, Article 4, second paragraph, fourth indent (Regulation (EC) 1257/1999)

- maintaining and improving the natural environment, the use of biological and genetic resources in agriculture, hygiene conditions and animal protection standards,

Justification

Self-explanatory.

Amendment 21

ARTICLE 1, POINT –1 A (new)

Article 4, second paragraph, indent 5 a (new) (Regulation (EC) No 1257/1999)

– to develop a production process associated with quality systems.

Justification

Measures to promote quality need not always exclusively comprise investment: it ought to be possible to make support payments for a production process associated with quality systems. Under the Commission proposal support payments would be made only if the result obtained by means of the process was in some way special; this is not sufficient.

Amendment 22
ARTICLE 1, PARAGRAPH –1 A (new)
Chapter 1, Article 4, second paragraph, indent 5 b (new) (Regulation (EC) No 1257/1999)

– to develop environmentally friendly raw materials,

Justification

In a society which aspires to make sparing use of natural resources, agriculture acquires an ever more important role as a source of environmentally friendly materials and commodities. This tendency should be further encouraged.

Amendment 23
ARTICLE 1, PARAGRAPH 1 A (new)
Chapter 1, Article 7, paragraph 2 (new) (Regulation (EC) No 1257/1999)

The total amount of support, expressed as a percentage of the volume of eligible investment, is limited to a maximum of 40% and 65% in less-favoured areas. Where investments are undertaken by young farmers, as referred to under Chapter II, these percentages may reach a maximum of 60% and 75% in less-favoured areas.

Justification

With the rapid development of technology and more stringent animal health, traceability and environmental standards, investments often become very substantial and costly. Society should assume extra responsibility for investments in less favoured areas and for young farmers who wish to invest.

Amendment 24
ARTICLE 1, PARAGRAPH 1 a (new)
Chapter II, Article 8, paragraph 1, indent 3 a (new) (Regulation (EC) No 1257/1999)

- the farmer submits an application for support for investment in agricultural holdings within the meaning of Title II, Chapter I, of this Regulation,

Justification

The amendment introduces a significant criterion in relation to investment support.

Amendment 25

ARTICLE 1, PARAGRAPH 1 B (new)

Chapter 2, Article 8, paragraph 1, indent 4 (Regulation (EC) No 1257/1999)

- as regards the holding:
 - (i) economic viability can be demonstrated,
 - (ii) minimum standards regarding the environment, hygiene and animal welfare are complied with, **and**
(ii a) new fields of production are developed which benefit rural development
- and

Justification

New business ideas and fields of production, including those outside the traditional agriculture sector, which will benefit the development of rural areas, should be promoted.

Amendment 26

ARTICLE 1, PARAGRAPH 1 b (new)

Chapter II, Article 8, paragraph 2 a (new) (Regulation (EC) No 1257/1999)

Where the young farmer submits, at the same time as the application for setting-up aid, an application for support under the other measures set out in Chapters I, II, III, IV, V, Va, VI, VIa, VII, VIII and XI of Title II of this Regulation, he shall be eligible, as a matter of priority and in accordance with the maximum amounts laid down, for all those measures with a view to the establishment of a suitable package of incentives. In their rural development plans, the Member States shall guarantee the implementation of such a package of measures.

Justification

The amendment seeks to take particular account of the needs of young entrepreneurs.

Amendment 27

ARTICLE 1, PARAGRAPH 1 b (new)
Chapter I, Article 8, paragraph 2 b (new) (Regulation (EC) No 1257/1999)

2b. However, should the young farmer undertake to carry out investments within three years following setting-up, the amount of the setting-up premium specified in the Annex may be doubled, in accordance with conditions laid down by each Member State.

Justification

Through the provision of greater financial support, the amendment is designed to encourage young farmers who intend to make new investments to set up on holdings.

Amendment 28

ARTICLE 1, PARAGRAPH 1 c (new)
Chapter II, Article 8 a (new) (Regulation (EC) No 1257/1999)

Temporary support for the purpose of establishing a farm advisory service may be granted to young farmers who have set up on an agricultural holding for the first time.

The support may be granted for a period not exceeding three years as from the setting-up date.

Justification

Although the Commission proposal does not make provision for any specific measures to assist young farmers, at least some incentives for that group should be incorporated.

Amendment 29

ARTICLE 1, PARAGRAPH 2 B (new)
Chapter 5, Article 13, point (a), indent 1 a (new) (Regulation (EC) No 1257/1999)

– to maintain and develop infrastructure and employment,

Amendment 30

ARTICLE 1, PARAGRAPH 2 B (new)

Chapter 5, Article 14, paragraph 2, indent 1 a (new) (Regulation (EC) No 1257/1999)

**– undertake to keep the landscape open
and the land grazed,**

Justification

Open landscapes are an important element in the environment, as well as part of the cultural heritage. Under an altered support system it is important to preserve these values.

Amendment 31

ARTICLE 1, PARAGRAPH 3

Article 16, paragraph 1 (Regulation (EC) No 1257/1999)

Payments to compensate for costs incurred and income foregone **may** be made to farmers who are subject to restrictions on agricultural use in areas with environmental restrictions as a result of the implementation of Directives 79/409/EEC and 92/43/EEC, if and in so far as such payments are necessary to solve the specific problems arising from the implementation of those Directives.

Payments to compensate for costs incurred and income foregone **shall** be made to farmers who are subject to restrictions on agricultural use in areas with environmental restrictions as a result of the implementation of Directives 79/409/EEC and 92/43/EEC, if and in so far as such payments are necessary to solve the specific problems arising from the implementation of those Directives.

A specific system of compensatory payments shall be established for farms located in less-favoured areas facing structural difficulties or with low yields.

Justification

It is important to ensure that farms in less-favoured areas facing structural difficulties or with low yields are able to continue in business and that intergenerational transfers continue.

Amendment 32

ARTICLE 1, PARAGRAPH 3 A (new)

Title II, Chapter –Va (new), (Regulation (EC) No 1257/1999)

Small farmers and family farming

Article -21a

The European Commission shall, by 2006, submit a proposal for the creation of a new rural development chapter in support of

women in rural areas.

Justification

The European Union must once and for all take proper account of the role which women play in rural areas.

Amendment 33

ARTICLE 1, PARAGRAPH 3 A (new)
Chapter 5, Article 21 (Regulation (EC) No 1257/1999)

Common objective criteria for the areas referred to in Articles 16 and 20 shall be drawn up for the whole EU.

On 1 January 2004 at the latest, the Commission shall submit a proposal for a legal act defining such objective criteria.

Justification

The proportion of the land area which is defined as comprising less favoured areas or areas with environmental restrictions should primarily be determined by objective criteria, rather than, as at present, by a general percentage.

Amendment 34

ARTICLE 1, PARAGRAPH 4
Title II, Chapter V a, Article 21 a (Regulation (EC) No 1257/1999)

Support to help farmers to adapt to demanding standards based on Community legislation in the fields of the environment, public, animal and plant health, animal welfare and occupational safety shall contribute to the following objectives:

- (a) a more rapid implementation of demanding Community standards by Member States;
- (b) the respect of those standards by farmers;
- (c) the use of farm advisory services by farmers, as provided for in Council

Support to help farmers, ***cooperatives, producer groups and organisations*** to adapt to demanding standards based on Community legislation in the fields of the environment, public, animal and plant health, animal welfare and occupational safety shall contribute to the following objectives:

- (a) a more rapid implementation of demanding Community standards by Member States;
- (b) the respect of those standards by farmers, ***cooperatives, producer groups and organisations***;
- (c) the use of farm advisory services by farmers, ***cooperatives, producer groups***

Regulation (EC) No ...[establishing common rules for direct support schemes under the common agricultural policy and support schemes for producers of certain crops***], in assessing the performance of farm businesses and identifying improvements required with regard to the statutory management requirements as set out in that Regulation.

and organisations, as provided for in Council Regulation (EC)

No ...[establishing common rules for direct support schemes under the common agricultural policy and support schemes for producers of certain crops***], in assessing the performance of farm businesses and identifying improvements required with regard to the statutory management requirements as set out in that Regulation.

A specific aid scheme shall be established for farms, cooperatives, producer groups and organisations located in less-favoured areas, facing structural difficulties or with low yields.

Justification

Support needs to be provided for the investment necessary to tackle the new demands against the background of the decline in farm incomes, the fall in market prices and the reduction in public support. Action needs to be taken to ensure the continuation of farming activity and the intergenerational transfer of farms in less-favoured areas, facing structural difficulties or with low yields. Cooperatives and other producer groups should be included since they are directly linked with production and carry out other economic activities in rural areas.

Amendment 35

ARTICLE 1, PARAGRAPH 4

Title II, Chapter V a, Article 21 a, indent (c) (Regulation (EC) 1257/1999)

c) the use of farm advisory services by farmers, ***as provided for in Council Regulation (EC) No ...[establishing common rules for direct support schemes under the common agricultural policy and support schemes for producers of certain crops]***, in assessing the performance of farm businesses and identifying improvements required with regard to the statutory management requirements as set out in ***that*** Regulation.

c) the use of farm advisory services by farmers in assessing the performance of farm businesses and identifying improvements required with regard to the statutory management requirements as set out in Regulation (EC) No ...[establishing ***common rules for direct support schemes under the common agricultural policy and support schemes for producers of certain crops]***].

Justification

Clarification of text.

Amendment 36
ARTICLE 1, PARAGRAPH 4
Title II, Chapter V a, Article 21 b (Regulation (EC) No 1257/1999)

1. Temporary support intended to contribute partly to costs incurred and income foregone may be granted to farmers who have to apply demanding standards based on Community legislation and newly introduced in national legislation.

2. Support may be granted during a period not exceeding five years from the date the standard becomes mandatory in accordance with Community legislation.

To be eligible for support, the standard should impose new obligations or restrictions in farming practice which have a significant impact on typical farm operating costs and which concern a significant number of farmers within the area covered by the rural development plan.

For Directives for which the implementation deadline has been exceeded and which are not yet correctly implemented by the Member State, support may be granted during a period not exceeding five years from [*date of entry into force of this Regulation*].

3. Support shall not be payable where the non-application of a standard is due to the non-respect by the applicant **farmer** of a standard already transposed in national legislation.

1. Temporary support intended to contribute partly to costs incurred and income foregone may be granted to farmers, **cooperatives, producer groups and organisations** who have to apply demanding standards based on Community legislation and newly introduced in national legislation.

2. Support may be granted during a period not exceeding five years from the date the standard becomes mandatory in accordance with Community legislation.

To be eligible for support, the standard should impose new obligations or restrictions in farming practice which have a significant impact on typical farm, **cooperative, producer group or organisation** operating costs and which concern a significant number of farmers within the area covered by the rural development plan.

For Directives for which the implementation deadline has been exceeded and which are not yet correctly implemented by the Member State, support may be granted during a period not exceeding five years from [*date of entry into force of this Regulation*].

Nevertheless, a specific, permanent and stable compensation scheme shall be established for farms, cooperatives, producer groups and organisations located in less-favoured areas, facing structural difficulties or with low yields.

3. Support shall not be payable where the non-application of a standard is due to the non-respect by the applicant of a standard already transposed in national legislation.

Justification

Support needs to be provided for the investment necessary to tackle the new demands against the background of the decline in farm incomes, the fall in market prices and the reduction in public support. Action needs to be taken to ensure the continuation of farming activity and the intergenerational transfer of farms in less-favoured areas, facing structural difficulties or with low yields. Cooperatives and other producer groups should be included since they are directly linked with production and carry out other economic activities in rural areas.

Amendment 37

ARTICLE 1, PARAGRAPH 4

Title II, Chapter V a, Article 21b, paragraph 2 (Regulation (EC) 1257/1999)

<i>Support may be granted during a period not exceeding five years from the date the standard becomes mandatory in accordance with Community legislation.</i>	<i>Deleted</i>
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Justification

The young farmer taking over the business after the period mentioned should also be offered support to meet standards.

Amendment 38

ARTICLE 1, PARAGRAPH 4

Title II, Chapter V a, Article 21 b, paragraph 2, subparagraph 3 (Regulation (EC) No 1257/1999)

For Directives for which the implementation deadline has been exceeded and which are not yet correctly implemented by the Member State, support may be granted ***during a period not exceeding five years from [date of entry into force of this Regulation].***

For Directives for which the implementation deadline has been exceeded and which are not yet correctly implemented by the Member State, ***no*** support may be granted.

Justification

Farmers in Member States which fail to implement general legislation should not receive support to help them implement changes which ought already to have been made. Instead, more should be done in the way of monitoring and reminders to induce individual Member States to transpose directives correctly.

Amendment 39

ARTICLE 1, PARAGRAPH 4

2a. Among the entities and bodies providing farm advisory services, priority shall be given to associations self-managed by farmers.

Justification

Farm advisory services should be helped to develop by means of measures implemented by the farming sector itself, reducing the risk of gaps emerging in the network and leading to the 'marketisation' of the provision of farm advisory services.

Amendment 40

ARTICLE 1, PARAGRAPH 4

Title II, Chapter V a, Article 21 d, paragraph 1 (Regulation (EC) No 1257/1999)

1. Support may be granted to farmers to ***help them*** meet costs arising from the use of the farm advisory services which identify and where necessary, propose improvements relating to the application by farmers of statutory environmental, public, animal and plant health, animal welfare and occupational safety standards.

1. Support may be granted to farmers to meet costs arising from the use of the farm advisory services which identify and where necessary, propose improvements relating to the application by farmers of statutory environmental, public, animal and plant health, animal welfare and occupational safety standards.

Justification

In order for farm advisory services to be effective, advice may need to be given repeatedly. If support is felt to be necessary for this purpose, it ought to be possible.

Amendment 41

ARTICLE 1, PARAGRAPH 4

Title II, Chapter Va, Article 21d, paragraph 1 (Regulation (EC) No 1257/1999)

1. Support may be granted to farmers to help them meet costs arising from the use of the farm advisory services which identify and where necessary, propose improvements relating to the application by farmers of statutory environmental, public, animal and plant health, animal welfare and occupational safety standards.

1. Support may be granted to farmers, ***cooperatives, producer groups and organisations*** to help them meet costs arising from the use of the farm advisory services which identify and where necessary, propose improvements relating to the application by farmers, ***cooperatives, producer groups and organisations*** of statutory environmental, public, animal and plant health, animal welfare and

occupational safety standards.

Justification

Cooperatives and other producer groups should be included since they are directly linked with production and carry out other economic activities in rural areas.

Amendment 42

ARTICLE 1, PARAGRAPH 4

Title II, Chapter V a, article 21 d, paragraph 2 (Regulation (EC) No 1257/1999)

2. Farm advisory services for which support may be granted ***shall be in accordance with Chapter III of Title II of Regulation (EC) No .../... [establishing common rules for direct support schemes under the common***

2. Member States shall draw up a list of farm advisory services for which support may be granted.

Justification

Member States should decide which farm advisory services are to be supported. Member States should draw up a list of high-quality public or private advisory services. It is not necessary to define such systems at EU level.

Amendment 43

ARTICLE 1, PARAGRAPH 4

Title II, Chapter V a, Article 21 d, paragraph 3 (Regulation (EC) No 1257/1999)

3. The total amount of support for the ***first*** use of advisory services as referred to in paragraph 1, shall ***be limited to a maximum of 80% of*** the eligible cost, without exceeding the maximum eligible amount as set out in the Annex.”

3. The total amount of support for the use of advisory services as referred to in paragraph 1, shall ***not exceed*** the eligible cost, without exceeding the maximum eligible amount as set out in the Annex.”

Justification

In order for farm advisory services to be effective, advice may need to be given repeatedly. If support is felt to be necessary for this purpose, it ought to be possible.

Amendment 44

ARTICLE 1, PARAGRAPH 8

Title II, Chapter V a, Article 24b, paragraph 1 (Regulation (EC) No 1257/1999)

1. Support shall be granted to farmers who

1. Support shall be granted to farmers,

participate on a voluntary basis in Community or national food quality schemes, which impose specific production requirements on agricultural products listed in Annex I to the Treaty, except fishery products, and comply with paragraph 2 or 3.

Support shall only cover products intended for human consumption.

cooperatives, producer groups and organisations who participate on a voluntary basis in Community or national food quality schemes, which impose specific production requirements on agricultural products listed in Annex I to the Treaty, except fishery products, and comply with paragraph 2 or 3.

Support shall only cover products intended for human consumption.

Justification

Cooperatives, producer groups and organisation play an important role in bringing supply together and form a vital link in the distribution chain. It is therefore crucial to recognise their role in improving the quality of food products.

Amendment 45

ARTICLE 1, PARAGRAPH 4

Title II, Chapter V a, Article 24 c, paragraph 2 (Regulation (EC) No 1257/1999)

2. The duration of such support shall not exceed a period of five years.

Deleted

Justification

Investing in ways of improving the quality of food is an important element in finding new markets and increasing the competitiveness of agriculture. Investment for participation in quality schemes may be needed for a long time.

Amendment 46

ARTICLE 1, PARAGRAPH 8

Title II, Chapter V a, Article 24d, paragraph 1 (Regulation (EC) No 1257/1999)

1. Support shall be granted to producer groups for activities intended to inform consumers about and promote agricultural products or foodstuffs designated under Community or national food quality schemes as described in Article 24b and selected for support by the Member State under the measure provided for in Articles 24a, 24b and 24c.

1. Support shall be granted to producer groups, ***producer organisations or agricultural cooperatives*** for activities intended to inform consumers about and promote agricultural products or foodstuffs designated under Community or national food quality schemes as described in Article 24b and selected for support by the Member State under the measure provided for in Articles 24a, 24b and 24c.

Justification

The text of the article should include an indication that support will also be channelled through producer organisations, producer groups or agricultural cooperatives.

Amendment 47

ARTICLE 1, PARAGRAPH 8

Title II, Chapter VIa, Article 24d, paragraph 1 (Regulation (EC) No 1257/1999)

1. Support shall be granted to producer groups **for** activities intended to inform consumers about and promote agricultural products or foodstuffs designated under Community or national food quality schemes as described in Article 24b and selected for support by the Member State under the measure provided or in Articles 24a, 24b and 24c.

1. Support shall be granted to producer groups, **agricultural producer organisations or cooperatives recognised by the Member States in the context of the CMO for the sector or of other Community or national provisions which carry out** activities intended to inform consumers about and promote agricultural products or foodstuffs designated under Community or national food quality schemes as described in Article 24b and selected for support by the Member State under the measure provided or in Articles 24a, 24b and 24c.

Justification

Rather than referring to producer groups, it would be more appropriate to use the term 'producer organisation': this is the legal term already employed in various CMOs. Moreover the measures in question should be promoted by agricultural producer organisations which are in fact responsible for the product concern.

Amendment 48

ARTICLE 1, PARAGRAPH 8

Title II, Chapter V a, Article 24 d, paragraph 3 (Regulation (EC) No 1257/1999)

3. The total amount of support shall be limited to a maximum of **70%** of the eligible costs of the action.

3. The total amount of support shall be limited to a maximum of **85%** of the eligible costs of the action.

Justification

Investment in high-quality food must be followed up with customer information about the products concerned.

Amendment 49

ARTICLE 1, PARAGRAPH 8 a (new)

Development of agricultural producer organisations

Article 24e

1. The European Commission shall promote and support the role played by agricultural producer organisations established as legal persons in accordance with national law to promote the concentration and marketing of agricultural products and agri-foodstuffs.

2. Support shall be granted for a period of five years to cover the establishment and launching of the organisations referred to in the previous paragraph.

Justification

The objective is to remedy the structural shortcomings in terms of the supply and marketing of agricultural products noted in some regions by encouraging the establishment and launch of agricultural producer organisations. The enlargement of the European Union will make the implementation of this measure particularly necessary.

Amendment 50

ARTICLE 1, PARAGRAPH 8 A (new)

Chapter 7, Article 25, paragraph 2, indent –1 (new) (Regulation (EC) No 1257/1999)

– to increase competitiveness on the world market,

Justification

In a globalised world with increased trade between countries, it is important to promote a development marked by greater competitiveness and specialisation of production. In order to maintain the level of rural employment, new industries and more diversified working lives will be needed.

Amendment 51

ARTICLE 1, PARAGRAPH 8 B (new)

Chapter 7, Article 25, paragraph 2, indent 5 a (new) (Regulation (EC) No 1257/1999)

– to promote new rural industries,

Justification

In a globalised world with increased trade between countries, it is important to promote a development marked by greater competitiveness and specialisation of production. In order to maintain the level of rural employment, new industries and more diversified working lives will be needed.

Amendment 52

ARTICLE 1, PARAGRAPH 8 C (new)

Chapter 7, Article 26, paragraph 3 (Regulation (EC) No 1257/1999)

3. It is necessary to show that it is possible to find normal or develop new market outlets for the products in question.

Justification

In developing the added value of agricultural products, it is important also to perceive new market opportunities.

Amendment 53

ARTICLE 1, PARAGRAPH 8 D (new)

Chapter 7, Article 28, paragraph 2, point (a) (Regulation (EC) No 1257/1999)

(a) 65% in Objective 1 regions;

Justification

Support for better processing and marketing of agricultural products is most needed in relatively unproductive areas.

Amendment 54

ARTICLE 1, PARAGRAPH 10A (NEW)

Chapter VIII, Article 30, paragraph 1, third indent (new) (Regulation (EC) No 1257/1999)

***- investment to improve and rationalise the harvesting, processing and marketing of forestry products including cork;
investment related to the use of wood as a raw material shall be limited to all working operations prior to industrial processing,***

Justification

Greater clarity is needed in the rules on rural development at Community level, explicitly including cork as a forestry product which, as such, may be eligible for specific measures in the area of rural policy. The environmental role played by cork-oak groves and by cork as a sustainable ecological product is indisputable.

Amendment 55

ARTICLE 1, PARAGRAPH 10B (NEW)

Chapter VIII, Article 30, paragraph 1, fourth indent (new) (Regulation (EC) No 1257/1999)

- promotion of new outlets for the use and marketing of forestry products, including cork,

Justification

Greater clarity is needed in the rules on rural development at Community level, explicitly including cork as a forestry product which, as such, may be eligible for specific measures in the area of rural policy. The environmental role played by cork-oak groves and by cork as a sustainable ecological product is indisputable.

Amendment 56

ARTICLE 1 PARAGRAPH 13

Title II, Chapter IX, Article 33, paragraph 2, point (-a) (new), (a) (b) (Regulation (EC) 1257/1999)

(-a) the first indent is worded as follows:

“- soil improvement; improvement of soil fertility by extended rotations, and particularly by legume cultivation (lucerne);”

(a) the third and the fourth indents are replaced by the following:

“- setting up of farm advisory systems, farm relief and farm management services,
- marketing of quality agricultural products, including the setting-up of quality schemes,”

(b) the following indent ***is added***:

“- ***management*** of integrated rural development strategies by local

(a) the third and the fourth indents are replaced by the following:

“- setting up of farm advisory systems, farm relief and farm management services,
- marketing of quality agricultural products ***and their identification***, including the setting-up of quality schemes,”

(b) the following ***indents are inserted after the seventh indent***:

“- ***promotion*** of integrated rural development strategies by local

partnerships.”

partnerships *between the public, private or voluntary sectors;*

- developing the capacities of players in local authorities, or non-governmental organisations, who ensure that the other measures in this article are put into effect.”

Justification

Players must be mobilised and local partnerships promoted in order to facilitate the application process and implementation of the measures.

Amendment 57

ARTICLE 1 PARAGRAPH 13

Title II, Chapter IX, Article 33, paragraph 2, indent 10 a (new) (Regulation (EC) No 125/1999)

- advice, development aid and other services for small businesses or community groups in villages or remote rural locations,

Justification

Clearer powers are required to enable support for rural development measures which extend beyond agriculture, food and tourism, to encompass the start-up and expansion of other small businesses which help to create multifunctional thriving rural economies.

Amendment 58

ARTICLE 1 PARAGRAPH 13 A (new)

Title II, Chapter IX, Article 33 a (new) (Regulation (EC) 1257/1999)

Article 33 a

1. For the purpose of this Article, “semi-subsistence farms” shall mean farms which primarily produce for their own consumption, but also market a proportion of their output.

2. To benefit from the support, the farmer must present a business plan which:

a) demonstrates the future economic

viability of the farm;

b) contains details of investments required;

c) describes specific milestones and targets.

3. Compliance with the business plan referred to in paragraph 2 shall be reviewed after three years. If the objectives set out in the plan have not been achieved by the time of the three-year review, no further support shall be granted, but there will be no requirement to repay monies already received.

4. Support shall be paid annually in the form of flat rate aid of 1000 Euro per year and farm for a period not exceeding five years.

Justification

The encouragement for semi-subsistence farms incorporated into the accession treaties should be possible in all Member States.

Amendment 59

ARTICLE 1, PARAGRAPH 15

Title III, Chapter 1, Article 35, Paragraph 1 (Regulation (EC) No 1257/1999)

“1. Community support for early retirement (Articles 10, 11 and 12), less-favoured areas and areas with environmental restrictions (Articles 13 to 21), meeting standards (Articles 21a to 21d), agri-environment (Articles 22, 23 and 24), food quality (Articles 24a to 24d) and afforestation (Article 31) shall be financed by the EAGGF Guarantee Section throughout the Community.”

“1. Community support for early retirement (Articles 10, 11 and 12), less-favoured areas and areas with environmental restrictions (Articles 13 to 21), meeting standards (Articles 21a to 21d), agri-environment (Articles 22, 23 and 24), food quality (Articles 24a to 24d) and afforestation (Article 31) shall be financed by the EAGGF Guarantee Section throughout the Community. ***Support for the setting-up of farms by young farmers shall also be financed by the EAGGF Guarantee Section throughout the Community from 2007 onwards.***”

Justification

Intergenerational transfer needs to be safeguarded, taking account of the ageing farming population. Aid for the setting-up of farms by young farmers should therefore be included among the flanking measures.

Amendment 60

ARTICLE 1, PARAGRAPH 16 A (new)

Chapter II, Article 43, paragraph 2, indent 2 a (new) (Regulation (EC) No 1257/1999)

- provide for plans to develop non-food production, with the aim of developing environmentally friendly raw materials from agriculture,

Justification

It is necessary to assure that measures are taken to encourage and discover the enormous potential of plastics, fibres, oils and many other products from agricultural raw materials.

Amendment 61

ARTICLE 1, PARAGRAPH 16 a (new)

Title III, Chapter II, Article 43, paragraph 2, indent 2 a (new) (Regulation (EC) No 1257/1999)

- provide for quality-promotion measures throughout their territories, and in accordance with their specific needs.

Justification

Quality-promotion measures should be compulsory in the RDPs, as provided for by the Commission Communication published in July.

Amendment 62

ARTICLE 1, PARAGRAPH 16 A (new)

Title III, Chapter 2, Article 44, paragraph 1 (Regulation (EC) No 1257/1999)

1. Rural development plans shall be submitted not later than six months after the entry into force of this Regulation. Existing plans may be updated six months after these amendments have entered into force.

Amendment 63

ARTICLE 1, PARAGRAPH 16 A (new)

Title III, Chapter 2, article 45, paragraph 1 (Regulation (EC) No 1257/1999)

Member States may use the national reserve to grant reference amounts to new farmers who commence their agricultural activity after 31 December 2000, according to the objective criteria and in such a way as to ensure equal treatment between farmers and to avoid market and competition distortions.

Member States ***shall*** use the national reserve to grant reference amounts to ***young*** farmers who commence their agricultural activity after 31 December 2000, according to the objective criteria and in such a way as to ensure equal treatment between farmers and to avoid market and competition distortions.

Justification

Decoupled payments are meant to offer farmers public support for providing services to the society. Only by transferring these entitlements free of charge to the young generation will it be possible to allow also new generations to cover these extra costs linked to providing services.

Amendment 64

ARTICLE 1, PARAGRAPH 16 B (new)

Title III, Chapter 4, Article 47, paragraph 2, indent 3 (Regulation (EC) No 1257/1999)

– the Community contribution to the programming for measures laid down in Articles 22 to 24 of this Regulation shall be 85% in areas covered by Objective 1 and 60% in the other areas.

Justification

The Community's responsibility for environmental policy should increase both in general and with specific reference to the financing of support for environmentally friendly agriculture. This is true, inter alia, bearing in mind that environmentally friendly farming standards will become more stringent in the field of improved animal welfare.

Amendment 65

ARTICLE 1, PARAGRAPH 16 C (new)

Title III, Chapter 4, Article 47, paragraph 2, indent 3 a (new) (Regulation (EC) No 1257/1999)

– the Community contribution to the programming for measures laid down in Articles 13 to 20 shall be 75%.

Justification

The Community should assume greater responsibility for channelling resources to less favoured areas and areas with environmental restrictions.

Amendment 66

ARTICLE 1, PARAGRAPH 17, Article 51, paragraph 5 (Regulation (EC) No 1257/1999)

“5. State aid to support farmers who adapt to demanding standards based on Community legislation in the fields of the environment, public, animal and plant health, animal welfare and occupational safety shall be prohibited if it does not satisfy the conditions provided for in Articles 21a, 21b and 21c. However, additional aid exceeding the maximum amounts fixed in accordance with Article 21c may be granted to help farmers to comply with national legislation which exceeds minimum Community standards.

In the absence of Community legislation, state aid to support farmers who adapt to demanding standards based on national legislation in the fields of the environment, public, animal and plant health, animal welfare and occupational safety shall be prohibited if it does not satisfy the relevant conditions provided for in Articles 21a, 21b and 21c. Additional aid exceeding the maximum amounts fixed in accordance with Article 21c may be granted if justified under paragraph 1 of that Article.”

“5. State aid to support farmers, ***cooperatives, groups and producer organisations*** who adapt to demanding standards based on Community legislation in the fields of the environment, public, animal and plant health, animal welfare and occupational safety shall be prohibited if it does not satisfy the conditions provided for in Articles 21a, 21b and 21c. However, additional aid exceeding the maximum amounts fixed in accordance with Article 21c may be granted to help farmers, ***cooperatives, groups and producer producer organisations*** to comply with national legislation which exceeds minimum Community standards.

In the absence of Community legislation, state aid to support farmers, ***cooperatives, groups and producer organisations*** who adapt to demanding standards based on national legislation in the fields of the environment, public, animal and plant health, animal welfare and occupational safety shall be prohibited if it does not satisfy the relevant conditions provided for in Articles 21a, 21b and 21c. Additional aid exceeding the maximum amounts fixed in accordance with Article 21c may be granted if justified under paragraph 1 of that Article.”

Justification

The text of the article should include an indication that support will also be channelled through producer organisations, producer groups or agricultural cooperatives.

Amendment 67

ARTICLE 2

***Regulation (EC) n°2826/2000 is repealed
from 1 January 2005.*** Deleted

Justification

Regulation (EC) No 2826/2000 is intended for the carrying-out of promotional activities by professional and/or inter-professional organisations representing the sector or sectors, with priority being given to activities involving several Member States. These are large-scale activities which cannot easily be undertaken by isolated producer groups. There is no duplication of activities, given that the information and promotion activities under the two regulations are different in nature.

Amendment 68

Article 3, paragraph 1 a (new)

In connection with the future financial perspective to be adopted by the budgetary authority the European Parliament shall be consulted again, so as to enable it to reconsider the provisions and assess the budgetary implications of this Regulation.

Justification

With respect to the period after 2006, Parliament should reconsider the current proposal's compatibility with the ceilings set by the future financial perspective to be adopted by the budgetary authority.

Amendment 69

ANNEX

Article 8, paragraph 2, Euros column

25 000

40 000

Justification

The age structure of Europe's farmers is cause for concern about the future. 52% of farmers are aged 55 or over, and only 8% are aged under 35. It should therefore be made easier for those young people who so wish to establish themselves as farmers.

Amendment 70

ANNEX

Article 12, paragraph 1, Euro column

15 000	16 500
150 000	165 000
3 500	5 000
35 000	50 000

Justification

These amounts have not been updated since 1999. The state of the demographic pyramid requires greater incentives to facilitate early retirement with the continuation of activity and prevent a large number of farms from being given up.

Amendment 71

ANNEX

Article 15, paragraph 3, Euro column, line 1

25	125
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Justification

This amendment seeks to increase the maximum and minimum amounts for compensatory allowances for less-favoured regions by EUR 100. The increase in this support would be offset by the savings generated by modulation and by the ceiling.

Amendment 72

ANNEX

Article 15, paragraph 3, Euros column, line 2

200	300
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Justification

It is important to maintain a viable countryside and to preserve the landscape. To make this possible in less favoured areas, for example those with an unfavourable climate, relatively unproductive soils and low population densities, the ceiling for aid should be raised.

Amendment 73

ANNEX

Article 16, Euros column

200

300

Justification

Areas with environmental restrictions arising from Community legislation should be compensated for this.

Amendment 74

ANNEX
Table, Article 21 c, EUR column

10 000

1 500

Justification

Adjustment by farms to the legislation in force should not be subsidised with higher amounts than promotion of food quality, which requires voluntary improvement of farming procedures.

Amendment 75

ANNEX
Article 21c (new)

Compensatory payment EUR 1 000 per farmer per year.

Justification

This amendment seeks to create a compensatory payment to support small farms and family farming as a complement to the current compensatory allowances for less-favoured areas. It would be a single aid per farmer, co-financed as part of rural development, amounting to EUR 1000 per year, for the purpose of promoting the improved distribution of agricultural aid among farmers and helping to maintain an extensive network of small family farms throughout the Community. The increase in expenditure arising from this aid would be offset by the savings generated by modulation and the ceiling.

Amendment 76

ANNEX
Article 21d, euro column

1 500

3 000

Justification

The maximum payment of EUR 1 500 per advisory service and up to 80% of the costs

incurred is not appropriate for farmers.

Amendment 77

ANNEX

Table, Article 24, paragraph 2, Subject column, fourth row

Local breeds in danger of being lost to farming.

Local breeds ***and varieties*** in danger of being lost to farming.

Justification

Self-explanatory.

Amendment 78

ANNEX

Article 24 c, EUR column

1 500

10 000

Justification

Adjustment by farms to the legislation in force should not be subsidised with higher amounts than promotion of food quality, which requires voluntary improvement of farming procedures.

Amendment 79

ANNEX

Table, Article 24 c, paragraph 1 (new)

<i>Subject</i>	<i>EUR</i>	
<i>Holdings of up to 4 ESU</i>	<i>3 000</i>	<i>per holding</i>
<i>Holdings of more than 4 ESU</i>	<i>3 000</i>	<i>per holding</i>
	<i>500</i>	<i>per ESU</i>

Justification

The support proposed by the Commission, involving a maximum payment of EUR 1500 per holding, is insufficient. An increase is being proposed, therefore, with a view to giving greater encouragement to farming methods designed to improve the quality of agricultural products and their promotion.

EXPLANATORY STATEMENT

Introduction

Rural development is important to the whole EU, as much to town-dwellers as to those in the countryside. Rural areas and farming perform a multifunctional role. Many people choose to live in the country for the sake of contact with nature, fresh air and peace and quiet.

The globalisation of world trade, with ever freer market conditions, and the need for strict budgetary discipline in the EU have led to greater insistence on the competitiveness of agriculture and a gradual reduction of support for production within the common organisations of the market. The expectations of society and consumers regarding environmental protection, better animal welfare, food quality and food safety have also risen.

Regional and social disparities within the EU cannot under any circumstances be a matter for acquiescence. The aim should be for the whole of the EU to develop economically, ecologically, socially and in terms of employment. It would not be desirable for all regions to resemble one another. Diversity and variety are the characteristic assets of the EU. Each region should develop on the basis of its own existing situation and preconditions. Local traditions and customs should be preserved and allowed to develop.

The future of agriculture is closely associated with balanced development of rural areas. Farming performs important functions in helping to create a society which will remain sustainable in the long term. The roles of farming range from producing food to providing environmentally friendly raw materials such as fuels and fibres, as well as, increasingly, services and recreational experiences. Farming can safeguard biodiversity, preserve the landscape with its historic imprint of human occupation, reduce adverse impacts on the environment and return organic waste to the natural cycle.

Some of the objectives of the present CAP are inconsistent and contradictory. Under the first pillar, farmers are encouraged to produce large volumes of raw materials, while some second-pillar measures counteract this. The forthcoming reform of the CAP will alter large parts of the first pillar. It is important that the two separate aspects of agricultural policy should be more closely coordinated so that they reinforce each other instead of pulling in different directions. A holistic approach to agriculture and rural development is called for, a food and rural development policy. This should have the aim of providing healthy and safe food while ensuring high environmental standards, maintaining a viable countryside and preserving the European agricultural model.

The potential of rural areas

In the third millennium, the countryside will face fresh challenges as society evolves, increasingly focusing on the production of information, knowledge and memorable experiences. The transition from an agricultural to an industrial society was made possible, *inter alia*, by the fact that a smaller and smaller agricultural workforce was able to produce food for more and more people. Consequently, the labour released could be put to work in industry. Now society is witnessing a further change as industry becomes more productive, so that fewer people are needed to produce goods. Instead, services and knowledge-based

businesses are growing. When people have eaten their fill and have a superfluity of material things at their disposal, their increased prosperity enables them to consume more culture, sport, recreation and memorable experiences. Nature, life, tranquillity and the beauty of landscapes are important to human development and for a full life. The countryside remains an irreplaceable resource for the attainment of a high quality of life.

The countryside is a feast for all the senses. The sound of birdsong, the scent of meadow flowers, the taste of wild strawberries, the sight of the particular shade of green of beech leaves when they first unfold or a range of mountains blue in the distance, and the sensation of walking barefoot through dewy grass while the crickets sing. How much is all this worth? What should society pay and what can be funded through the market?

The Commission proposal

The Commission's proposal concerning rural development adds new measures to the existing regulation, seeking to improve the quality of food, the environment and animal welfare, inter alia by means of more effective application of Community law. This proposal is welcome, as it goes a long way to meet the demand of consumers and society for safe food produced in an environmentally sound and ethical manner.

The reform of the common agricultural policy is a step in the right direction. The policy is becoming more geared to the market as support is switched from production to producers. Standards relating to food safety, the environment, health and safety at work and animal welfare are being introduced. However, all the measures must be introduced carefully in parallel with one another to ensure that less productive areas do not suffer. It is unfortunate, therefore, that decoupling is to be introduced in 2004, while degressivity begins only in 2006 and increased appropriations for rural development become available only in 2007. There is a danger that this may result in the destruction of large areas of arable land and pastureland, a problem which could be remedied if rural development policy were bolstered at the same time.

Land which is being farmed is of great aesthetic value and is a vital part of the cultural heritage. In the case of land which is difficult to farm, such as valleys with steep gradients, decoupled support to producers will not be sufficient to persuade farmers to continue to produce and cultivate the land. Accordingly, support is needed to maintain the open landscape in areas with special difficulties. The Community should assume greater responsibility for the financing of these measures. Regulation 1257/1999 includes programmes for less favoured areas. Support for these areas should be increased. The right to subsidies should be linked to the maintenance of farmland.

Since the Commission communication of July 2002, the introduction of modulation has been delayed, and the resources released by it will now, at most, total 6% in 2013, as against the figure of 20% in 2010 which was proposed previously.

The more modest goals adopted by the Commission are due to the decision taken at the Brussels summit concerning a ceiling for expenditure on the first pillar of the CAP as from 2007. This agreement has created a regrettable framework for the continuing discussions about the review and about the agriculture budget. Instead of discussing and deciding on the

matter as a whole, the first step taken was to determine the framework for how much the reforms would be allowed to cost, irrespective of which reforms were ultimately implemented. In the discussions, the ceiling for the first pillar of agriculture has been regarded as a target or even a minimum for agricultural expenditure. It may therefore be worth pointing out that a ceiling means a maximum which must not be exceeded but which does not prevent a lower level from being decided. The ceiling was set so high that resources are available which could be transferred to rural development policy, and the decision of the Brussels summit should not, therefore, limit this option.

Enlargement to the east will result in unprecedented demands on funds for less economically developed regions. When the applicant countries join the EU, the proportion of the population living in low income areas¹ will rise from 18% to 25%. In Poland, 22% of the rural population are living below the poverty line and unemployment is a major problem. This particularly affects young people. In order to cope with the rules and competition on the EU's internal market, a substantial structural change is called for, which may be painful unless rural development measures are adopted in parallel.

Measures

The future of the countryside is full of potential. The most important resource for development is to be found locally, in the people living there, and in their dreams and ideas about the future. By encouraging and supporting creativity and new ideas, it will be possible for rural areas to develop both economically and in terms of employment and culture.

If creativity and enterprise are encouraged, businesses in new sectors can grow in the countryside. Within the services sector, these may for example include small-scale tourism or sports and recreation facilities. People are increasingly seeking the genuine article, which affords an opportunity for growth in the market for high-quality food products with a regional character. By means of local processing of raw materials, the link between producers and consumers can be strengthened. The development of local brands can create new jobs and should therefore be promoted.

Sources of alternative income for those working in agricultural occupations are becoming increasingly important. Society must support a development whereby farmers diversify into other fields. The support system should be progressive in its impact on the development of job opportunities in rural areas. When agriculture is restructured, particularly in the new Member States, alternatives will be needed in order to ensure that people do not simply flock to urban areas, where society will then be forced to try to find ways to rechannel them again by various means.

Rural areas are very disparate in different parts of the EU. In view of the different circumstances and problems which exist, the measures which apply in these various areas should be tailor-made. The aims and means of rural development policy may be determined centrally, but it is important to apply it as locally as possible. It is a welcome aspect that Member States and regions will be able to choose measures themselves. It will be possible for the resources released to be allocated both to the new measures proposed and also to provide

¹ Areas with a per capita GNP of less than 75% of the EU mean.

additional funding for existing ones. However, extra funds need to be transferred from the first pillar. Common objective criteria for less favoured areas must be drawn up for the whole EU. This means that the percentage limit on LFAs for each Member State should be abolished. Reality dictates that certain countries should receive a large share while others receive far smaller ones. The Commission should be instructed to draw up such objective criteria by 1 January 2004.

The reports being tabled simultaneously with this one concerning other proposals for the Mid-Term Review propose measures which will make it possible to provide extra financing for rural development. Realistic implementation of the dairy reform cannot begin before 2005. It should be on a scale more commensurate with the ambitions of Agenda 2000 than with the Commission's current proposal. This would create financial scope (€ xxx) for rural development.

It is proposed that a large part of the money which, under the Commission proposal, would be released by degressivity should be used to carry out reforms, for example in the sugar and olive oil sectors, even though it is not clear when the time will come for these reforms. The horizontal report proposes a simpler system which could moreover make more money available for rural development (€ xxx).

The Community's various types of support for rural development must be properly coordinated. It is important that programmes of rural development measures should exist over and above those for which agricultural policy provides. Leader+, with its emphasis on participation, a holistic approach and creativity, has promoted rural development in a positive manner and should receive increased funding. By means of coordination of the various programmes, for example within Objectives 1 and 2 of the Structural Funds and with regard to support for rural development, administration will be simplified and synergy achieved.

The Commission's far-reaching proposal for reform of the CAP is a positive attempt to combine liberalisation of the world market via the WTO and preservation of the European agricultural model with competitive agriculture and a viable countryside. In the course of the process leading to a final decision, some of the most far-reaching proposals will have to be amended. In addition, such a far-reaching reform needs to be supplemented by strong measures in the field of rural development policy.

30 April 2003

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Agriculture and Rural Development

on the proposal for a Council regulation establishing common rules for direct support schemes under the common agricultural policy and support schemes for producers of certain crops (COM(2003) 23 – C5-0040/2003 – 2003/0006(CNS))

on the proposal for a Council regulation amending Regulation (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and repealing Regulation (EC) No 2826/2000 (COM(2003) 23 – C5-0041/2003 – 2003/0007(CNS))

on the proposal for a Council regulation amending Regulation (EC) No 1255/1999 on the common organisation of the market in milk and milk products (COM(2003) 23 – C5-0045/2003 – 2003/0011(CNS))

Draftswoman: María Esther Herranz García

PROCEDURE

The Committee on Budgets appointed María Esther Herranz García draftswoman at its meeting of 19 February 2003.

It considered the draft opinion at its meetings of 25 March and 29 April 2003.

At the last meeting it adopted the following amendments unanimously.

The following were present for the vote: Terence Wynn, chairman; Anne Elisabet Jensen, vice-chairman; Franz Turchi, vice-chairman; María Esther Herranz García, draftswoman; María Antonia Avilés Perea (for Ioannis Averoff), Joan Colom i Naval, Den Dover, Bárbara Dührkop Dührkop, Catherine Guy-Quint, Juan Andrés Naranjo Escobar, Joaquim Píscarreta, Encarnación Redondo Jiménez (for Reimer Böge), Paul Rübig (for James E.M. Elles), Esko Olavi Seppänen (for Chantal Cauquil), Kyösti Tapio Virrankoski and Ralf Walter.

SHORT JUSTIFICATION

Introduction

On 21 January 2003 the Commission proposed a package of legislation for the mid-term review of the CAP. This package contains one horizontal regulation and six sectoral proposals. The horizontal regulation contains two key elements.

The first of these elements is the introduction of a single farm payment which is totally 'decoupled' from production and which would apply to arable crops, beef and veal, milk and dairy products, sheep and goatmeat, potato starch, grain legumes, rice, seeds and dried fodder. Payment of this aid would be conditional on compliance with Community environmental, food quality, animal welfare and occupational safety rules.

The second important element of the Commission proposal is the gradual reduction ('degression') in 'decoupled' aid as from 2006. The total reduction would amount to 19% over the period 2006-2012. 6% of the funds obtained through this adjustment would be used to boost the funds earmarked for rural development, with the remainder being used to cover other agricultural expenditure.

Budgetary impact of the proposals, according to the Commission's analysis

Following enlargement, according to the Commission's estimates, the funds allocated to direct aid and the increase in funding for rural development policy can be financed only through savings in the first pillar (market measures and direct aid).

According to the data provided by the Commission, the budgetary impact of the proposed reforms is extremely limited when compared with a 'status quo' scenario (see the table below).

EU-25 expenditure	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Estimates of expenditure WITHOUT reform	31782.9	33 662.8	34 676.6	35 583.2	36 653.6	37 386.7	38 176.4	38 771.4	39 367.4	39 963.4
Estimates of expenditure WITH reform	31685.8	33 650.3	34 322.7	35 079.9	36 043.0	37 487.5	38 078.7	38 724.7	39 370.7	40 018.7
DIFFERENCE: WITHOUT – WITH	97.1	12.5	353.9	503.3	610.6	-100.8	97.7	46.7	-3.3	-55.3

(Table drawn up on the basis of the tables presented by the Commission)

Moreover, in both cases (with or without reform) the Commission estimates that expenditure would start to exceed the ceiling set at the October 2002 Brussels summit for Heading 1a in 2009, unless degression is introduced for direct aid. The chief cause of this deficit would be

the increase in agricultural expenditure resulting from enlargement. Among the products concerned, the cost of the proposal for reform of the dairy sector would be extremely high, reaching EUR 1.5 billion in 2013.

Remarks

Before 2006, the EU will have to take a formal decision on the next financial perspective agenda, evidently following the procedure laid down in Article 272 of the Treaty, which is likely to imply fresh modifications to the CAP on which we do not as yet have any information. This means that the estimates presented by the Commission for the years following that date are no more than a virtual exercise.

The Commission has drawn up a financial statement going up to 2010 and has presented an expenditure forecast up to 2013, i.e. covering a large proportion of the period falling under the next financial perspective, even though it is unaware of at least two important factors:

1. Firstly, it has absolutely no idea what adjustments might be made to the CAP after 2006;
2. Secondly, it does not provide any indication of the expenditure which would arise from other reforms still pending, such as sugar, olive oil, fruit and vegetables, tobacco, wine and cotton.

We know the cost which the CAP could involve up to 2006 if the Commission's proposal goes forward, and its estimates up to that year can therefore be said to be based on actual information. Nevertheless, the figures provided by the Commission beyond the current programming are no more than a rough draft which fails to take account of key elements.

Strengthening rural development policy is one of the European Parliament's longstanding demands, and the principle of the modulation of aid must therefore be given unreserved support, but without at this stage determining the percentages or funds which will need to be removed from that mechanism to cover the uncertain goals which the European Union might set in three years' time. The Commission proposal on this point represents an attempt indirectly to set the ceilings for heading 1b after 2006.

The Commission also wishes to attribute to itself the right to modify the modulation rates when this should at all times be the prerogative of the Council of Ministers, after consulting the European Parliament, given the financial implications of such a measure.

The draftswoman believes that the Commission should be asked to specify further how the saving mechanism which it is proposing under heading 1a (degression of aid) would function, and to present possible weaknesses in the system to the budgetary authority.

With regard to the decoupling of CAP aid, from the purely budgetary point of view this should be able to guarantee more predictable expenditure in category 1a by eliminating the influence of fluctuations in market prices. Nevertheless, the reform as such would be effective only if it were properly implemented and if effective monitoring activity were correctly introduced, a goal which is far from being easily attainable.

Moreover, decoupling involves the removal of any instrument for controlling supply, which has proved to be useful in order to curb veterinary epidemics in livestock sectors (such as the ‘mad cow’ epidemic), the cost of which is generally extremely high and unforeseeable.

The Committee on Budgets calls on the Committee on Agriculture and Rural Development, as the committee responsible, to incorporate the following amendments in its report:

AMENDMENTS TO THE LEGISLATIVE RESOLUTION

Proposal for a Council regulation establishing common rules for direct support schemes under the common agricultural policy and support schemes for producers of certain crops (COM(2003) 23 – C5-0040/2003 – 2003/0006(CNS))

Amendment 1

The European Parliament,

1a. (new) Considers that the financial statement of the Commission proposal is compatible with the ceilings of heading 1a and 1b of the current financial perspective;

Justification

The Commission proposal is compatible with the current financial perspective. For the period after 2006, the Commission is considering the compatibility of the amounts proposed with the expenditure ceilings set by the Brussels European Council in October 2002 as regards heading 1a for the period up to 2013.

Amendment 2

1b. (new) Asks for the matter to be referred to it again once the framework of the future financial perspective is formally agreed by the budgetary authority;

Justification

For the period after 2006, the European Parliament will need to re-examine the compatibility of the current proposal with the ceilings set by the future financial perspective to be agreed by the budgetary authority.

Proposal for a Council regulation amending Regulation (EC) No 1255/1999 on the common organisation of the market in milk and milk products
(COM(2003) 23 – C5-0045/2003 – 2003/0011(CNS))

Amendment 3

5a. (new) Considers the Commission proposal concerning the milk sector to be too costly and calls accordingly on the Commission to reconsider the need to amend the provisions laid down in Agenda 2000;

AMENDMENTS

Proposal for a Council regulation establishing common rules for direct support schemes under the common agricultural policy and support schemes for producers of certain crops (COM(2003) 23 – C5-0040/2003 – 2003/0006(CNS))

Text proposed by the Commission¹

Amendments by Parliament

Amendment 4

Recital 5

(5) In order to achieve a better balance between policy tools designed to promote sustainable agriculture and those designed to promote rural development, a system of progressive reduction of direct payments should be introduced on a compulsory Community-wide basis for the years 2007 to 2012. All direct payments, beyond certain amounts, should be reduced by a certain percentage each year. The savings made should be used to finance, *where the case may be, further reforms of sectors under the common agricultural policy. It is appropriate to provide for Commission's powers to adjust the said percentages where the case may be.* Until 2007, Member States may continue to apply the current modulation on an optional basis under Council Regulation (EC) No 1259/1999 of 17 May 1999 establishing common rules for direct support schemes under the common agricultural policy.

(5) In order to achieve a better balance between policy tools designed to promote sustainable agriculture and those designed to promote rural development, a system of progressive reduction of direct payments should be introduced on a compulsory Community-wide basis for the years 2007 to 2012. All direct payments, beyond certain amounts, should be reduced by a certain percentage each year. The savings made should be used to finance *rural development* policy. Until 2007, Member States may continue to apply the current modulation on an optional basis under Council Regulation (EC) No 1259/1999 of 17 May 1999 establishing common rules for direct support schemes under the common agricultural policy.

Justification

Strengthening rural development must be a priority objective. Moreover, the Commission cannot attribute to itself powers which must rest with the EU Council of Ministers, after consultation of the European Parliament.

¹ Not yet published in OJ.

Amendment 5
Recital 17

(17) Since the amounts which will become available as a result of cross compliance are not foreseeable sufficiently far ahead to be used for additional measures in the framework of rural development support, those amounts should be credited to the EAGGF “Guarantee” Section, *except for a certain percentage which should be retained by the Member States.*

(17) Since the amounts which will become available as a result of cross compliance are not foreseeable sufficiently far ahead to be used for additional measures in the framework of rural development support, those amounts should be credited to the EAGGF “Guarantee” Section *to cover possible budget deficits.*

Justification

Self-explanatory.

Amendment 6
Recital 21

(21) In view of the significant budgetary implications of direct payment support and in order to better appraise their impact, Community schemes should be subject to a proper evaluation.

(21) In view of the significant budgetary implications of direct payment support and in order *to enable the budgetary authority* to better appraise their impact, Community schemes should be subject to a proper evaluation. *Once the framework of the future financial perspective is agreed by the budgetary authority, the European Parliament needs to be consulted again in order to re-examine the provisions and assess the budgetary implications of the current Regulation.*

Justification

Self-explanatory.

Amendment 7
Article 9

The amount resulting from the application of this Chapter shall be credited to the EAGGF “Guarantee” Section. *Member State may retain 20% of those amounts.*

The amount resulting from the application of this Chapter shall be credited to the EAGGF “Guarantee” Section.

Justification

Funds from sanctions should be set aside to finance possible budget deficits.

Amendment 8 Article 10, paragraph 2

2. The percentages referred to in paragraph 1 ***may be modified in accordance with the procedure referred to in Article 82(2).***

2. The percentages referred to in paragraph 1 ***shall be revised before 2006 within the framework of the next financial perspective.***

Justification

It is totally inconsistent to take a decision on the funds which will be removed from category 1a three years before the current financial perspective comes to an end without knowing what decisions the EU will take with a view to the next round of programming. The Commission proposal is based on purely virtual estimates which take no account of important factors for future agricultural expenditure such as the review of the CAP in 2006, in which the initial effects of enlargement and the outcome of WTO negotiations are likely to be taken into consideration.

Amendment 9 Article 11

1. An additional amount of aid shall be granted to farmers receiving direct payments under this Regulation. This amount shall be calculated ***as follows***:

(a) for the first EUR 5 000 of direct payments the additional amount of aid shall be equal to the amount resulting from the application of the percentage of reduction for that calendar year under Article 10. If the farmer receives less than EUR 5 000, the additional amount of aid shall be calculated proportionately;

(b) for the amount exceeding 5 000 and up to EUR 50 000 the additional amount of aid shall be equal to half of the amount resulting from the application of the percentage of reduction for that calendar year under Article 10 reduced by the

1. An additional amount of aid shall be granted to farmers receiving direct payments under this Regulation. This amount shall be calculated ***according to the following parameters***:

(a) for the first EUR 5 000 of direct payments the additional amount of aid shall be equal to the amount resulting from the application of the percentage of reduction for that calendar year under Article 10. If the farmer receives less than EUR 5 000, the additional amount of aid shall be calculated proportionately;

(b) for the amount exceeding 5 000 and up to EUR 50 000 the additional amount of aid shall be equal to half of the amount resulting from the application of the percentage of reduction for that calendar year under Article 10 reduced by the

percentages points referred to in Article 12. If he receives less than EUR 50 000, the additional amount of aid shall be calculated proportionately.

2. The total additional amounts of aid which may be granted in a Member State in a calendar year shall not be higher than the ceilings set out in Annex II. Where necessary, Member States shall proceed to a linear percentage adjustment of additional amounts of aid in order to respect the ceilings set out in Annex II.

3. The additional amount of aid shall not be subject to the reductions referred to in Article 10.

percentages points referred to in Article 12. If he receives less than EUR 50 000, the additional amount of aid shall be calculated proportionately.

2. The total additional amounts of aid which may be granted in a Member State in a calendar year shall not be higher than the ceilings set out in Annex II. Where necessary, Member States shall proceed to a linear percentage adjustment of additional amounts of aid in order to respect the ceilings set out in Annex II.

3. The additional amount of aid shall not be subject to the reductions referred to in Article 10.

3a. Paragraph 1 shall be revised before 2006 within the framework of the next financial perspective.

Justification

It is inconsistent to take a decision now on the measures referred to in Article 11 without knowing what decisions the EU will adopt within the framework of the next financial perspective.

Amendment 10 Article 12, paragraph 2 a (new)

2a. The amounts set in paragraph 1 shall be revised in the light of the decisions which will be taken within the framework of the next financial perspective. The resulting final percentages may be the same as those laid down in Article 10.

Justification

There is no point in determining the additional funds which will be allocated to rural development after 2006 three years before the current financial programming comes to an end. The Commission proposal indirectly sets the ceiling for heading 1b in the period covered by the next financial perspective even though no decision has yet been taken in this regard. Moreover, the Commission's calculation is based on virtual estimates which take no account of important factors for future agricultural expenditure, such as the review of the CAP in 2006.

Amendment 11
Article 91, paragraph 3 a (new)

In the context of the future financial perspective, to be agreed by the budgetary authority, the European Parliament needs to be consulted again in order to re-examine the provisions and assess the budgetary implications of the current Regulation.

Justification

The evaluation of compatibility can only be realised within the future financial perspective as agreed by the budgetary authority.

Proposal for a Council Regulation amending Regulation (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and repealing Regulation (EC) No 2826/2000
(COM(2003) 23 – C5-0041/2003 – 2003/0007(CNS))

Text proposed by the Commission¹

Amendments by Parliament

Amendment 12
Recital 8

(8) There is a need to improve consumers' awareness of the existence and specifications of products produced under Community or national food quality schemes. Support should be provided to producer groups to inform consumers and promote products provided under schemes supported by Member States within their rural development plans. ***In order to ensure there is no scope for duplication of agricultural promotion activities on the internal market, Community support foreseen by Council Regulation (EC) No 2826/2000 on information and promotion actions for agricultural products on the internal market should be suppressed from 2005.***

(8) There is a need to improve consumers' awareness of the existence and specifications of products produced under Community or national food quality schemes. Support should be provided to producer groups to inform consumers and promote products provided under schemes supported by Member States within their rural development plans.

Justification

This is a budget line which falls under non-compulsory expenditure. The Commission is proposing to abolish generic campaigns in the European Union on the grounds that the new rural development measures will include a chapter devoted to agricultural quality and promotion. Nevertheless, this chapter will have different addressees and will cover different products (products with quality labels), which means that maintaining generic promotion would not lead to unavoidable risks of a duplication of funding.

¹ Not yet published in OJ.

Amendment 13
Article 2

***Regulation (EC) n°2826/2000 is repealed
from 1 January 2005.*** ***Deleted***

Justification

This is a budget line which falls under non-compulsory expenditure. The Commission is proposing to abolish generic campaigns in the European Union on the grounds that the new rural development measures will include a chapter devoted to agricultural quality and promotion. Nevertheless, this chapter will have different addressees and will cover different products (products with quality labels), which means that maintaining generic promotion would not lead to unavoidable risks of a duplication of funding.

Amendment 14
Article 3, paragraph 1 a (new)

In connection with the future financial perspective to be adopted by the budgetary authority the European Parliament shall be consulted again, so as to enable it to reconsider the provisions and assess the budgetary implications of this Regulation.

Justification

With respect to the period after 2006, Parliament should reconsider the current proposal's compatibility with the ceilings set by the future financial perspective to be adopted by the budgetary authority.