

EUROPEAN PARLIAMENT

2004



2009

Committee on Agriculture

2004/2001(BUD)

22.9.2004

OPINION

of the Committee on Agriculture

for the Committee on Budgets

on the 2005 budget
(2004/2001(BUD))

Section III: Commission

Draftswoman: María Esther Herranz García

SUGGESTIONS

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

1. Points out that 2005 will be the first complete financial year for the enlarged Union and the first year for both the implementation of certain compulsory horizontal measures under the new Council Regulations (EC) Nos 1782/03 and 1783/03 (concerning the revision of the CAP) and the beginning of their full implementation by some Member States; believes that the 2005 budget must take these events into account in order to avoid creating funding problems for the new policies from the very outset of their implementation.
2. Points out that the financial perspective for the agricultural sector has already been adopted by the European Council overall and resources allocated for each year until 2013, so that any move towards reducing them would be contrary to the interinstitutional agreements and create a problem of confidence in the Community institutions among European citizens.
3. Notes that, under Heading 1a, the 2005 financial year will cover the first direct aid granted to farmers in the countries of eastern Europe - aid which in this first year of accession will amount to 25% of the aid earmarked for the 15 existing Member States; furthermore, the EU will have to meet the cost of the measures stemming from the most recent CAP reform which will come into effect in the course of 2004 and which will encompass: direct aid granted to milk producers, the increase in rice aid as a consequence of the price falls in that sector, and the new subsidies for dried-fruit producers, for the production of high-quality durum wheat and for the production of energy crops.
4. Points out that the single-payment scheme introduced in connection with the CAP reform will start to apply in certain Member States with effect from 2005, for which reason it will not have any impact on the budget until the 2006 financial year.
5. Notes that, although the Commission has already proposed in the preliminary draft budget a 6% increase in overall agricultural expenditure compared with the previous financial year in order to cover the European Union's commitments towards the new Member States, the total amount of agricultural spending is already €763 million below the financial ceiling, not taking into account resources needed to cover disruptions which may arise from developments on the market and exchange rates.
6. Objects to the fact that in its draft budget the EU Council of Ministers has adopted an initial common position which calls for an EUR 1 billion reduction in the funding proposed by the Commission under the agriculture section of its preliminary draft budget for the coming year without any justification relating to the management of agricultural policies and measures; considers that the Council's statement that, in the event of the financial resources being insufficient, it will reinstate the resources for policies not covered demonstrates not only the casual nature of the Council's decision but also its indirect acceptance that the actual situation on the markets will require more expenditure.

7. Deplores the fact that in order to make such a cut the Council has opted for an arbitrary reduction in all categories which exceed EUR 800 million, with complete disregard for the specific budgetary requirements of the various headings.
8. Deplores the fact that the Council has not carried out any prior analysis of the information available concerning the various sectors; this has led to pointless cuts, such as the EUR 400 000+ reduction in per-hectare aid for herbaceous crops, despite the fact that the disbursement of such aid depends upon the submission of applications from farmers whose data do not vary greatly from one year to another, or the reduction in aid for suckling cows or in payments for male bovine animals (reduced in both cases by approximately EUR 100 000).
9. Considers that in the case of other agricultural products where expenditure is more closely linked to price fluctuations (which applies to cotton and to export refunds), the Council should await the autumn letter of amendment in which the necessary adjustments will be made on the basis of a further verification of the state of the markets.
10. Deplores any attempt by the Council to discuss the financial perspective of the European Union with a view to reducing compulsory expenditure in the budget in order to create a false picture of the level of necessary resources for the operation of Community policies and, by extension, the level of own resources.
11. Rejects, therefore, the unjustified decision adopted by the Council of Ministers and calls for a general reinstatement of the agriculture funding provided for in the preliminary draft budget.
12. Supports any increase in resources which promotes:
 - continuous training and information of farmers and European citizens concerning the new policies under the CAP,
 - research,
 - the quality of agricultural production,
 - the competitiveness of agriculture,policies which could be financed from the € 763 million margin.
13. Furthermore, proposes an increase in funding for the prevention and eradication of veterinary diseases and for improving the promotion of quality products.
14. Is also in favour of launching a pilot scheme for the carrying out of a study into the establishment of a risk-guarantee scheme designed to provide protection in the event of climate-related disasters.
15. Calls also for pilot projects in schools, in the framework of the provision of information about the CAP, with a view to teaching children where their food comes from and how it is produced.

16. Deeply regrets that less funding for control and prevention is being made available to 25 Member States than was provided in 2003 for 15 Member States.
17. Suggests, with an eye to better checks on animal transport, providing financial support for the setting up of monitoring systems based on GPS technology.

PROCEDURE

Title	Budget 2005: Section III - Commission		
References	2004/2001(BUD)		
Committee responsible	AGRI		
Enhanced cooperation	-		
Draftsman Date appointed	María Esther Herranz García 22.1.2004		
Consideration in committee	1.9.2004	13.9.2004	21.9.2004
Date adopted	21.9.2004		
Result of vote	for: 29 against: abstentions:		
Members present for the final vote	Joseph Daul (chairman), Jean-Claude Fruteau (vice-chairman), Janusz Czesław Wojciechowski (vice-chairman), Friedrich-Wilhelm Graefe zu Baringdorf (vice-chairman), Peter Baco, Katerina Batzeli, Thijs Berman, Albert Deß, Duarte Freitas, Lutz Goepel, Elisabeth Jeggle, Heinz Kindermann, Kartika Tamara Liotard, Albert Jan Maat, Mairead McGuinness, Rosa Miguélez Ramos, María Isabel Salinas García, Agnes Schierhuber, Czesław Adam Siekierski, Csaba Sándor Tabajdi and Kyösti Tapio Virrankoski		
Substitutes present for the final vote	María del Pilar Ayuso González, Armando Dionisi, Hynek Fajmon, Gábor Harangozó, Astrid Lulling, James Nicholson, Zdzisław Zbigniew Podkański and Karin Resetarits		
Rule 178(2) substitutes present at final vote	-		