

# EUROPEAN PARLIAMENT

2004



2009

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*Committee on Agriculture and Rural Development*

**2007/2019 (BUD)**

9.10.2007

## **OPINION**

of the Committee on Agriculture and Rural Development

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2008  
(C6-0287/2007 - 2007/2019(BUD))

Section III - Commission

Draftsman: Jan Mulder

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## SUGGESTIONS

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

1. Emphasises that 2008 is a decisive year for the future of the Common Agricultural Policy (CAP) as it will be the year of the conclusions on the "health check" (HC); points out, however, that the HC has no immediate impact on the 2008 budget exercise; stresses that the HC needs to envisage the further modernisation of the CAP with a view to justifying potential levels of EU spending after 2013 and needs to position the CAP in the 2009 Mid-Term Review of the EU budget;
2. Notes that agriculture accounts for less than one third of EU spending; notes further that Heading 2: Preservation and Management of Natural Resources is the largest single heading in the preliminary draft budget for 2008 (PDB 2008) in money terms, if headings 1a and 1b are treated separately; points out, however, that it comprises parts of the following policy areas: 05 agriculture and rural development, 07 environment, 11 fisheries and maritime affairs, and 17 health and consumer affairs;
3. Notes that the EU budget requirements, according to the Council, for the CAP in the Draft Budget 2008 (DB 2008) are EUR 3 077.32 million, of which EUR 3 005.01 million is related to Market spending & Direct Aids, which is considerably lower than the budget ceilings agreed by EU leaders in the Financial Perspective 2007-2013;
4. Points out that Heading 2 totals EUR 55 722.7 million, constituting a decrease of EUR 527,5 million compared to the same total in the 2007 Budget; notes further that the Council made reductions to the PDB 2008 only for Heading 2; is disappointed with this negative attitude of the Council towards Heading 2 and more specifically the CAP;
5. Deplores therefore the Council's drastic, across-the-board reduction in commitment and payment appropriations of the PDB 2008 in market expenditure and its decision to use accounting criteria alone, without taking serious account of the Commission's proposals and Parliament's priorities;
6. Finds it surprising that Council has left the payment appropriations for Rural Development untouched; points out that implementation rates in 2007 have already shown a backlog in implementation; emphasises that the start-up of programming periods concerning Rural Development have shown low implementation rates in the past; points out that there are still to date 76 out of the 94 Rural Development Programmes that need to be approved; asks the Commission, therefore, to justify this high level of payment appropriations;
7. Notes that for the 2008 budget there is a substantial amount of margin available despite the programmed 5 % increase in the CAP direct aids in the 10 New Member States (at 40 % of level for the EU-15) and the first direct aid payments for Romania and Bulgaria (at 25 % of the level for the EU-15); underlines, however, that according to the Commission that margin is expected to be dissolved from 2010 onwards;

8. Is pleased that in the 2008 budget no financial discipline will have to be applied; points out, however, that the mechanism of financial discipline under which there would be a reduction in direct aids will apply when the available margin under Heading 2 is dissolved;
9. Notes that in 2008, once again, the full 5 % rate of compulsory modulation will be applied (after 3 % in 2005, 4 % in 2006 and 5 % in 2007), which is expected to result in approximately EUR 1.241 billion being transferred to Rural Development;
10. Calls on the Commission, in the light of the budgetary principles of unity, accuracy, universality, specification and transparency, to incorporate the exceptions to the compulsory modulation scheme, resulting from an anomaly in the Intergovernmental Conference agreement of December 2005 to 2013, in the figures for (sub) Heading(s) 2 ;
11. Points out the changes due to the assigned expenditure, i.e. revenue in 2008, for elements such as clearance of accounts, recoveries and milk levies, with regard to the PDB 2008;
12. Calls for preparatory action to be taken in the setting up of an investment fund, more or less along the lines of the European Investment Fund (EIF), for renewable energy and bio-refining, as promising techniques (such as carbon fixation through algae production, second generation bio fuels production and bio refinery) often lack the availability of proper investments for large-scale implementation;
13. Believes that, as a matter of coherence and consistency with health campaigns and, in particular, action against obesity, a particular effort needs to be made for the genuine promotion of fruit and vegetable consumption, especially among children; proposes, in this light, a new budget line for school fruit and vegetables; supports, moreover, a 50 % increase of the budget line related to free distribution of fruit and vegetables as agreed by the Committee on Agriculture and Rural Development;
14. Calls, again from the viewpoint of consistency with health policy, for greater efforts to encourage consumption of healthy milk products, especially among schoolchildren; therefore proposes to enlarge the product range, to increase the appropriations for the school milk scheme and to create a new dairy sector restructuring fund (in line with Parliament's request in the mini-milk package);
15. Calls for a pilot project on animal welfare to be launched, in order to develop improved animal transportation and production methods, focusing for instance on resting points during transportation and alternatives to the castration of pigs and dehorning of cows;
16. Calls for increased appropriations for the development of marker vaccines and tests to distinguish between sick and vaccinated animals, and for the financing of information campaigns and programmes to inform the public about the harmlessness of consumption of meat from vaccinated animals, as well as information campaigns and programmes emphasising the humane aspects of vaccination strategies in the fight against contagious animal diseases;
17. Urges the Commission in this light to come forward with proposals concerning the financing of outbreaks of livestock diseases on the basis of the results obtained through a pre-feasibility study on cost-sharing schemes (the pilot project, A Risk Financing Model

for Livestock Epidemics in the European Union) providing financing options for epidemic livestock diseases;

18. Questions whether the amount under Heading 2 related to the environment (EUR 298 million) is appropriate to the described ambitions; asks the Commission to clarify why it feels it can achieve all its ambitions as described in the PDB 2008 or to propose further financing of environmental measures, possibly using the available margin under Heading 2 by means of transfers within the same Heading;
19. Notes that inclusion of the Non-Trade Concerns as import criteria in a possible new WTO agreement could mean a considerable saving on the agricultural budget in future, as compensatory payment in relation to certain Community legislation would become superfluous; regrets, therefore, that the Commission has so far been unable to make substantial progress concerning the acceptance of Non-Trade Concerns within the multilateral trade framework as required under the mandate given to the Commission by the Council;
20. Calls for Community checks on imports of agricultural products from third countries to be stepped up, in order to enforce European requirements in the area of health, safety and animal welfare more effectively;
21. Deplores the cuts in the budget headings for promotion, and the scarce resources available for enhancing public awareness of EU quality standards; calls therefore, for the amounts allocated to those headings to be increased;
22. As a general measure, proposes that the headings in the PDB 2008 should be retained in the DB 2008; takes the view that the amounts entered in the PDB 2008 for agriculture, until the amending letter in October, respect the bare minimum and therefore proposes that the PDB 2008 be retained as regards all budget lines.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	9.10.2007
<b>Result of final vote</b>	+ : 33 - : - 0 : -
<b>Members present for the final vote</b>	Bernadette Bourzai, Niels Busk, Luis Manuel Capoulas Santos, Giuseppe Castiglione, Albert Deß, Gintaras Didžiokas, Michl Ebner, Carmen Fraga Estévez, Ioannis Gklavakis, Lutz Goepel, Esther Herranz García, Lily Jacobs, Elisabeth Jeggle, Heinz Kindermann, Jean-Claude Martinez, Véronique Mathieu, Mairead McGuinness, Rosa Miguélez Ramos, Neil Parish, Radu Podgorean, María Isabel Salinas García, Agnes Schierhuber, Willem Schuth, Czesław Adam Siekierski, Alyn Smith, Janusz Wojciechowski, Andrzej Tomasz Zapałowski
<b>Substitute(s) present for the final vote</b>	Esther De Lange, Ilda Figueiredo, Gábor Harangozó, Jan Mulder, Catherine Neris, Markus Pieper
<b>Substitute(s) under Rule 178(2) present for the final vote</b>	-