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<Commission>{AGRI}Committee on Agriculture and Rural Development</Commission>

<RefProc>2020/2265(BUI)</RefProc>

<Date>{05/03/2021}5.3.2021</Date>

<TitreType>OPINION</TitreType>

<CommissionResp>of the Committee on Agriculture and Rural Development</CommissionResp>

<CommissionInt>for the Committee on Budgets</CommissionInt>

<Titre>on guidelines for the 2022 Budget – Section III</Titre>

<DocRef>(2020/2265(BUI))</DocRef>

Rapporteur for opinion: <Depute>Pina Picierno</Depute>

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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 into its motion for a resolution:

1. Highlights the important role that both agriculture and rural development play in achieving the Union’s objectives in the fields of food security, sustainable economic growth, social inclusion, territorial and environmental balance, animal welfare, preserving biodiversity and combating climate change, in full accordance with the European Green Deal, the EU Biodiversity Strategy for 2030 and the Farm to Fork Strategy;

2. Points out that the future common agricultural policy (CAP), in view of its high budget share and relevance to climate and biodiversity goals, will play a key role in achieving the ambitious objectives of the European Green Deal, the Biodiversity Strategy and the Farm to Fork Strategy; stresses the need, in this connection, to ensure sufficient funding as a swift and effective response to the new requirements incumbent on the agricultural sector with the implementation of those objectives, including for structures classed by the Member States as strategic structures of public interest in the agri-food sector;

3. Calls on the Commission to analyse the extent to which the current CAP reform proposal contributes to these goals; invites the Member States to promote rural development actions geared towards helping farmers make the ecological transition and comply with the European Green Deal objectives; considers that effective protection against irregular imports incompatible with Union standards will help to safeguard consumer health and farmers’ incomes in the Union;

4. Advocates stability for the agriculture budget; therefore opposes any cuts to agriculture in the 2022 budget, especially in view of the serious crises and price volatility experienced by the agricultural sector in recent years, not least due to the COVID-19 crisis;

5. Stresses that agriculture has played a frontline role in the provision of food during the health crisis and that many agricultural sectors have been heavily impacted by the restrictions resulting from the pandemic; calls for a plan to support the agricultural sector in tackling the effects of the pandemic with a dedicated budget; stresses the importance of using the funds under the EU recovery plan to alleviate the difficulties that some agricultural and livestock sectors are experiencing as a result of the length of the pandemic period and the effects of the closure of the hotel, restaurant and catering (Horeca) sector on many areas of production;

6. Expresses its disquiet at the continued punitive duties imposed by the US administration on European products; considers it unacceptable that the agri-food sector is bearing a large part of the costs of the Airbus-Boeing trade dispute, which originated in a completely unrelated sector; highlights, in particular, the US tariffs on wine and spirits which entered into force on 12 January and will further undermine the stability of many producers, who are already struggling to overcome the initial sanctions and the COVID‑19 crisis; stresses that the losses suffered by many farmers in all sectors concerned go beyond the immediate impact on sales margins, as the countermeasures also have knock-on effects resulting in the displacement of high EU value wines by products from other origins; urges the Commission to introduce a compensatory fund for all farmers affected by the US sanctions while a diplomatic solution is sought, which should exclude agricultural sectors from the litigation procedures; urges the Commission, to this end, to negotiate a moratorium with the new US administration;

7. Supports the extension beyond 15 October 2021 of the exceptional measures for the wine sector to help farmers overcome the COVID-19 crisis, in view of the deterioration of the market situation due to protracted lockdowns and the economic consequences of the crisis, which threaten to significantly alter consumer trends; underlines that the wine sector is facing a significant two-fold impact from the pandemic and the US sanctions imposed in the light of the Airbus-Boeing dispute;

8. Calls on the Commission to allocate rural funding properly under agricultural and cohesion policy, taking account of the objectives of both of these policy areas, as set out in Articles 39 and 174 of the Treaty on the Functioning of the European Union, in order to limit financing from CAP funds for investments not directly related to agriculture;

9. Emphasises that over 31 % of farms in the Union are held by farmers over the age of 65, while young farmers account for a mere 6 % of the Union’s farming community; draws attention to the phenomena of depopulation and population ageing in rural areas and stresses the need to implement appropriately-funded measures to counteract these in the medium and long term; urges the Member States to strengthen existing support measures and create additional measures such as facilitating access to preferential credit and expert advice for young farmers and potential new entrants in 2022 and forward-looking investments, such as in digitalisation and robotics applications, in view of the lack of generational renewal in farming, which is currently one of the biggest challenges for European agriculture and environmental survival; stresses the need to facilitate access to land and farm succession as a key prerequisite to enable young and new farmers to enter the sector;

10. Calls on the Commission to take account of the increased financial demands for meeting the targets of the Farm to Fork Strategy, in particular in the areas of pesticides reduction, the expansion of organic farming, the reduction of antimicrobials and the improvement of animal welfare, and to propose a corresponding increase in the budget;

11. Insists that any revenue to the Union budget deriving from any assigned revenues or repayments of irregularities from agriculture in previous years should remain under Heading 3;

12. Notes the increase in appropriations intended to combat animal diseases and plant pests and stresses the need to implement the action plans coordinated by the Commission for the prevention, control and eradication of animal diseases and plant pests in view of the considerable risks and increased outbreaks in the Union; underlines, in this context, that new phytosanitary threats may hinder or prevent the achievement of the objectives of the Union’s pesticide reduction strategy; calls, meanwhile, for the Union’s import regime to continue to be strengthened, while respecting the provisions of the International Plant Protection Convention;

13. Calls for targeted funding for both research and innovation and for the introduction of agroecological pest management methods; reiterates, however, that border controls remain inadequate to combat the introduction of pests and invasive species, which are particularly harmful to the citrus sector;

14. Welcomes the increased support for research and innovation dedicated to the supply of safe and high-quality food, in particular in the broader context of the Farm to Fork Strategy; stresses that it is essential that funds earmarked for research in the agri-food sector, in particular from the new Horizon Europe budget and via European Innovation Partnerships (EIPs), also remain fully available to farmers and livestock breeders in order to improve competitiveness and stimulate innovation and smart solutions in the agricultural and rural development sectors; stresses the need to facilitate access to state-of-the-art agricultural technologies in order to increase the efficiency and sustainability of agricultural production and encourage young people to invest in smart agriculture;

15. Highlights the necessity to ensure that the outcomes of research and innovation reach farms; points out, meanwhile, that there is an imbalance in the participation of the Member States in research and innovation framework programmes, to the detriment of non-EU-15 countries; considers that Horizon Europe projects should therefore reflect the priorities of all countries and regions;

16. Stresses the need to further streamline the provision of aid in order to simplify it and to reduce the enormous administrative burden that it places on national administrations and aid recipients, especially in a transitional phase prior to the application of the new CAP;

17. Underscores the importance of pilot projects and preparatory actions for innovation in the agricultural and rural development sectors; asks for continued support for ongoing and new pilot projects and preparatory actions; stresses, in particular, the need for digitisation in villages in order to increase the profitability of production and improve quality of life and local employment and development;

18. Stresses that the long-term vision for the Union’s rural areas requires demographic aspects and the increasing depopulation of the rural environment to be taken into consideration when coordinating policies and distributing funds more effectively;

19. Questions once more the value of the current crisis reserve and financial discipline mechanism, which remains unused despite demands for support during the COVID-19 pandemic, while in the case of the 2022 budget it will simply create an administrative burden once again; therefore reiterates its position in favour of introducing a multiannual reserve that is decoupled from direct payments;

20. Welcomes the recovery funds for supporting agri-food operators in their efforts to adapt to climate change and provide European consumers with sustainable and local products; stresses that special attention must be paid to quality agri-food products hit hardest by the COVID-19 crisis;

21. Stresses the need, notwithstanding the implementation of the CAP in 2022 in accordance with the rules for 2014-2020, to implement measures in such a way as to deliver more positive changes and ensure a sustainable transition for the benefit of farmers, the environment, climate and food security;

22. Calls on the Commission not to concentrate promotional funds on specific production models and to continue to promote awareness and consumption of foods from the Mediterranean diet, as well as quality products with high added value, geographical indications and designations of origin;

23. Recalls that food security, the sustainability of the food supply chain, and the 2030 climate and environment targets are priorities that require investment and support for farmers and small and medium-sized enterprises (SMEs) in rural areas; highlights the need, therefore, for a substantial European Agricultural Fund for Rural Development (EAFRD) and for the swift disbursement of Next Generation EU funds in 2022, while taking account of the Union’s commitments thereunder;

24. Stresses the importance of fully utilising fossil substitution and the renewable bioeconomy in pursuing the objectives of the European Green Deal and creating a resource-efficient circular economy; recalls the importance, therefore, of greater support for research and innovation under the European Regional Development Fund (ERDF) and Horizon Europe, as laid down in the Commission’s Bioeconomy Strategy;

25. Urges the Member States to take a decision on new own budgetary resources in order to speed up the implementation of the EU’s Next Generation initiative; calls on the Commission to allow Member States, in the meantime, to start implementing their recovery plans in the framework of the rural development programmes, pending the formal decision;

26. Trusts that the 2022 budget will serve to better communicate the benefits of livestock farming in Europe, in particular extensive livestock farming and its contribution to the environment, biodiversity and the sustainability of rural areas;

27. Stresses that there is considerable demand to adjust the CAP sectoral programmes in order to address the market crises in certain key agricultural sectors and rural territories in the Union that have been negatively impacted by the COVID-19 crisis; insists that some of the COVID-19 crisis measures to support agricultural sectors should continue in 2022, with a focus on diversifying and shortening supply chains;

28. Expresses its satisfaction at the pace of spending of rural development allocations for the 2014-2020 programmes and encourages Member States that have not made full use of their 2014-2020 financial envelopes to continue this trend during the CAP transition period;

29. Highlights the importance of small, rural farms, ecological farms and young farmers, which require particular attention and increased financial resources;

30. Considers that the agri-food sector should be made one of the beneficiaries of the new Brexit Adjustment Reserve, as it is worst affected by the adverse consequences of the UK’s withdrawal from the Union and facing a significant increase in administrative costs as a result of border controls, which put SMEs at the greatest disadvantage;

31. Points to the need to counteract the negative effects of other trade agreements and of tariff measures imposed by third parties and calls for the necessary budgetary resources to be put towards market measures for the sectors affected; demands that import standards on agricultural products from outside the Union should be equal to Union standards;

32. Recalls, in addition to improving legislative standards, the benefits of improved labelling and education to help EU citizens to transform their consumption habits towards more sustainable and local agricultural products; recommends that concerns over healthy food, nutrition, organic production and animal welfare be reflected in public procurement rules;

33. Reaffirms the significance of the Union’s school fruit, vegetables and milk scheme for helping children to follow a healthy diet; invites the Member States to make full use of their allocations and to prioritise sustainable, local and high-quality production;

34. Calls for Union programmes to focus on projects which safeguard existing jobs in agriculture, create quality jobs with labour rights, stable and regulated pay and working conditions, and combat poverty and social exclusion in rural areas effectively and decisively.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

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| **Date adopted** | 4.3.2021 |  |  |  |
| **Result of final vote** | +:–:0: | 4215 |
| **Members present for the final vote** | Mazaly Aguilar, Clara Aguilera, Atidzhe Alieva-Veli, Álvaro Amaro, Eric Andrieu, Attila Ara-Kovács, Carmen Avram, Adrian-Dragoş Benea, Mara Bizzotto, Daniel Buda, Isabel Carvalhais, Asger Christensen, Angelo Ciocca, Ivan David, Paolo De Castro, Jérémy Decerle, Salvatore De Meo, Herbert Dorfmann, Luke Ming Flanagan, Dino Giarrusso, Francisco Guerreiro, Martin Häusling, Martin Hlaváček, Krzysztof Jurgiel, Jarosław Kalinowski, Elsi Katainen, Gilles Lebreton, Norbert Lins, Colm Markey, Alin Mituța, Marlene Mortler, Ulrike Müller, Maria Noichl, Juozas Olekas, Pina Picierno, Maxette Pirbakas, Eugenia Rodríguez Palop, Bronis Ropė, Bert-Jan Ruissen, Anne Sander, Petri Sarvamaa, Simone Schmiedtbauer, Annie Schreijer-Pierik, Veronika Vrecionová, Sarah Wiener, Juan Ignacio Zoido Álvarez |
| **Substitutes present for the final vote** | Anna Deparnay-Grunenberg, Petros Kokkalis |

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

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| 42 | + |
| ECR | Mazaly Aguilar, Krzysztof Jurgiel, Bert-Jan Ruissen, Veronika Vrecionová |
| ID | Mara Bizzotto, Angelo Ciocca, Gilles Lebreton, Maxette Pirbakas |
| NI | Dino Giarrusso |
| PPE | Álvaro Amaro, Daniel Buda, Salvatore De Meo, Herbert Dorfmann, Jarosław Kalinowski, Norbert Lins, Colm Markey, Marlene Mortler, Anne Sander, Petri Sarvamaa, Simone Schmiedtbauer, Annie Schreijer-Pierik, Juan Ignacio Zoido Álvarez |
| Renew | Atidzhe Alieva-Veli, Asger Christensen, Jérémy Decerle, Martin Hlaváček, Elsi Katainen, Alin Mituța, Ulrike Müller |
| S&D | Clara Aguilera, Eric Andrieu, Attila Ara-Kovács, Carmen Avram, Adrian-Dragoş Benea, Isabel Carvalhais, Paolo De Castro, Maria Noichl, Juozas Olekas, Pina Picierno |
| The Left | Luke Ming Flanagan, Petros Kokkalis, Eugenia Rodríguez Palop |

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| ID | Ivan David |

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| Verts/ALE | Anna Deparnay-Grunenberg, Francisco Guerreiro, Martin Häusling, Bronis Ropė, Sarah Wiener |

Key to symbols:

+ : in favour

- : against

0 : abstention