



*Committee on Agriculture and Rural Development
The Chair*

08.01.2024

Mr Johan Van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Subject: Opinion on Guidelines for the 2025 Budget - Section III (2023/2220(BUI))

Dear Mr Chair,

Under the procedure referred to above, the Committee on Agriculture and Rural Development has been asked to submit an opinion to your committee. At its meeting of 28th November 2023, the committee decided to send the opinion in the form of a letter.

The Coordinators of the Committee on Agriculture and Rural Development adopted the letter on 24th January 2024, and decided to call on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions:

1. Underlines the uncertainties concerning the 2025 budget ceilings and possible flexibilities due to the MFF mid-term review negotiations ahead making it difficult to issue specific recommendations; stresses that the review should at least preserve an ambitious multiannual budget in Heading 3 and most importantly preserve or increase the CAP budget, given the challenges the EU agriculture is facing;
2. Highlights the central importance of the CAP to secure global food security and achieve greater EU production autonomy; recalls the fundamental role the CAP plays in the provision of affordable, safe and high-quality food as much as in ensuring the incomes of EU farmers, protecting the environment and preserving good agricultural conditions; insists on the importance of the CAP existing programmes continuity;
3. Emphasizes the estimated inflation induced losses of EUR 37 billion, or 10% for the period 2021-27, for the cluster Agriculture and Maritime policy (95% of which being covered by the EAGF and EAFRD) according to a realistic medium-inflation scenario in a recent study requested by the Committee on Budgets¹; is also concerned about the negative effects on farmers of increases in input prices; opposes strongly any proposals to re-allocate any pre-allocated funds from the CAP to other clusters as part

of the MFF mid-term review;

4. Welcomes the decision to increase the agricultural reserve to respond to the crises in the agriculture sector while at the same time regrets that this was done without consulting the Parliament in its capacity of budgetary authority; Insists on the Parliament's role in the use of the reserve; calls on the Commission to follow objective and transparent criteria in the allocation of these funds and to regularly report back on their use in order to continually improve it; calls on the Commission to ensure that sufficient funding will be available without prejudice to direct payments to farmers and, where appropriate, to explore the possibility of mobilising funds outside the CAP;
5. As a critical developing tool for rural areas, calls on Member States to increase the levels of support provided to young farmers and to improve their access conditions to land and credit;
6. Stresses the importance of research and innovation in the agri-food sector [and](#) the need to increase the budget for the Horizon research programme dedicated to agriculture.

As AGRI committee Chair, I would like to ask the BUDG committee to take due account of this opinion in its report.

Yours sincerely,

Norbert Lins

ANNEX: ENTITIES OR PERSONS FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT

The Chair declares under his exclusive responsibility that he did not receive input from any entity or person to be mentioned in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.

¹ [*The impacts of recent inflation developments on EU finance, 2023.*](#)