OPINION

of the Committee on Budgets

for the Committee on Agriculture and Rural Development

on the future of food and farming
(2018/2037(INI))

Rapporteur for opinion: Nedzhmi Ali
SUGGESTIONS

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

A. whereas the common agricultural policy (CAP) is one of the most integrated policies in the Union, and has fulfilled one of its original objectives of increasing food supply, by supporting European farmers and responding to citizens’ demands regarding food security and safety, and quality and sustainability; whereas there are new challenges ahead, linked in particular to climate change and loss of biodiversity; whereas it is important that the CAP is aligned with the Paris Agreement and other international agreements which protect the climate and the environment;

B. whereas it is necessary to ensure support for genuine farmers while continuing to support beneficiaries who have diversified production streams and incomes, after decades of policy signals that have recommended they do so, and to give priority to small farms and reward them for the diverse public goods they deliver to society, while ensuring a fair distribution of support between farms of different sizes; whereas it is important to strengthen regional economies and to support modernised, sustainable agriculture in the EU which performs economically, environmentally and socially, in order to promote diverse agricultural systems, especially family farms; whereas it is essential to secure agricultural production in all parts of the EU, including in areas of natural constraints, and to ensure a fair standard of living across regions and Member States;

C. whereas there is a gap between income in the agricultural sector and other sectors of the economy, with agricultural income being highly volatile; whereas there is a risk of land being abandoned in areas of natural constraints; whereas there should be adequate investment in farm restructuring, modernisation, innovation, diversification and the uptake of new technologies;

D. whereas according to the European Court of Auditors briefing paper from March 2018 on the future of the CAP, in 2010, for every 100 farm managers above 55, there were 14 farm managers below 35, a figure which fell to 10.8 farm managers in 2013; whereas the average age of EU farmers increased from 49.2 to 51.4 years over the period 2004 to 2013; whereas the smallest farms are most often those of older farmers;

E. whereas in the light of the excessive administrative burden of the control and audit system, and the overlaps between pillars I and II, it is important to simplify the CAP, to reduce its overall administrative burden, to improve its value for money and to make it transparent, without compromising on its ambitious policy objectives; whereas cutting red tape should improve the greening results and provide more effective help to all farmers in adapting their farming systems to meet environmental and climate challenges;

F. whereas as outlined in the Commission communication on the future of food and farming, the future CAP will set the basic policy parameters, and the Member States, whether at national or regional level, will need to demonstrate greater responsibility as to how they meet the objectives, in order to maintain a level playing field, prevent
distortion in the market and achieve the goals set at EU level; whereas the future CAP delivery model should be results-driven as regards resource efficiency, environmental protection and climate action;

1. Emphasises that the CAP should remain a common EU policy, and can only deliver its objectives if sufficiently funded; calls, therefore, for the CAP budget to be maintained at at least its current level for the EU-27 at constant prices in the next MFF post 2020, in order to achieve the ambitions of a revised and efficient CAP;

2. Highlights that the CAP should support the sustainable development of agriculture, which is crucial for providing safe food, jobs and growth in rural areas, as well as the sustainable management of natural resources; notes that effective audit and control approaches will have to be followed to ensure that the new delivery model under a reformed CAP delivers on environmental and social criteria in order for the sector to achieve greater sustainability by 2030;

3. Welcomes the intention to simplify and modernise the CAP; calls on the Commission to ensure that financial and performance control and audit functions are performed to the same high standards of continuous improvement across all Member States while fully respecting the principles of subsidiarity and flexibility; stresses that the Member States need to be given adequate competences to decide on the content, monitoring, control and sanctions of the support schemes applicable in their territories, but emphasises that any simplification or modernisation of the CAP cannot reduce the level of EU ambition, nor can it lead to a sectoralisation of EU policies and programmes, or the replacement of grants by financial instruments;

4. Insists upon a results-based approach to payments; proposes, therefore, the inclusion of the following issues for indicators:

   – maintaining and creating jobs in the sector;
   – retaining small and medium farm businesses;
   – the health and biodiversity of soil, species and taxa richness;
   – topsoil protection and creation, soil cover against erosion;
   – reduced nutrient losses and increased water quality;
   – biodiversity, including the richness and abundance of bird species, wild pollinators and insects;
   – the reduction of pesticide-use dependency and the uptake of integrated pest management (IPM)\(^1\);

5. Opposes any renationalisation or national co-financing; stresses the need for a fair distribution of direct payments between Member States, which must take into account reliable socio-economic indexes and production costs, in order to close the gaps between the different regions of the Union in the next MFF; recalls that it is crucial to ensure equal competition conditions for all farmers in the EU, taking into account the vulnerabilities and specificities of small-scale economies; stresses, in this respect, the need to reform the agricultural crisis reserve and to increase funding in line with responses to the various cyclical crises in sensitive sectors, to create new instruments

\(^1\) In accordance with the Sustainable Use of Pesticides Directive (2009/128/EC) and Article 67 of Regulation (EC) 1107/2009.
that can mitigate price volatility and to increase funding for Programmes of Options Specifically Relating to Remoteness and Insularity (POSEI);

6. Highlights that CAP support for rural development provides opportunities for all Member States to enhance their competitiveness, promotes effective and sustainable economies and fosters the development of rural areas, where it is vital to tackle depopulation, unemployment and poverty and to promote social inclusion; stresses, therefore, the need to continue financing for rural development measures and to strengthen the second pillar of the CAP; endorses in this context the principles of the LEADER method, as it is fostering innovation, partnership and networking in rural areas;

7. Believes that the setting of a limit on direct payments – ‘capping’ – should not be left to the discretion of each Member State, but must be established at European level;

8. Advocates the introduction of degressive payments in order to reduce support for larger farms and shift focus towards redistributive payments, so as to provide more targeted support (e.g. to small-medium sized farms);

9. Emphasises that agreeing and applying a sound definition of EU added value would benefit public debate and decision-making on future EU spending; supports the move towards more efficient farming and EU added value, but warns against any attempt to use such a definition to call into question the relevance of EU policies and programmes on purely quantitative or short-term economic considerations; stresses the need to strengthen sustainable development, and to develop rural areas and climate and environmental protection through agricultural policy based on the achievement of performance targets; notes that, in order to deliver added value, there must be defined outcomes, results and impacts, and that the Commission and the Member States should agree on relevant evidence-based indicators before setting out their national and regional action plans for subsequent monitoring and implementation evaluation;

10. Calls for greater synergies between policies which foster rural development and those designed to support the integration of refugees;

11. Calls, in accordance with the principle of budgetary efficiency, for coherence and better synergies between the CAP and all other EU policies and international commitments, particularly in the fields of energy, water supply, land use, biodiversity and ecosystems, and in the development of remote and mountainous areas;

12. Calls for increased support for family farms and young farmers and for support for employment in agriculture in rural areas, especially for young farmers;

13. Emphasises that the focus in the future of farming should be on producing high-quality food, as that is where Europe’s competitive advantage lies; stresses that EU standards must be maintained and strengthened where feasible; calls for measures to further increase the long-term productivity and competitiveness of the food production sector, and to introduce new technologies and a more efficient use of resources, thereby strengthening the EU’s role as a world leader;

14. Considers it unacceptable that there are quality differences between food products
which are advertised and distributed in the single market under the same brand and with the same packaging; welcomes the Commission’s incentives to address the issue of dual food quality in the single market, including its work on common testing methodology;

15. Urges the Commission and the Member States to monitor the significant price volatility of agricultural products and to encourage the uptake of ‘risk management’ tools, as they help to protect farmers’ incomes.
## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

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| **Result of final vote** | +: 25  
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|                     | 0: 1  |

**Members present for the final vote**


**Substitutes present for the final vote**

Jean-Paul Denanot, Anneli Jäättteenmäki, Ivana Maletić, Andrey Novakov, Tomáš Zdechovský
**FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION**

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Key to symbols:
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- : against
0 : abstention