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Promotion of crops for non-food purposes

European Parliament resolution on the promotion of crops for non-food purposes (2004/2259(INI))

The European Parliament,

- having regard to the Commission Green Paper of 29 November 2000, 'Towards a European strategy for the security of energy supply' (COM(2000)0769),

- having regard to the Commission Communication of 26 November 1997, 'Energy for the future: renewable sources of energy - White Paper for a Community Strategy and Action Plan' (COM(1997)0599),

- having regard to Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market[1],

- having regard to the Commission Communication of 26 May 2004, 'The share of renewable energy in the EU - Commission Report in accordance with Article 3 of Directive 2001/77/EC, evaluation of the effect of legislative instruments and other Community policies on the development of the contribution of renewable energy sources in the EU and proposals for concrete actions' (COM(2004)0366),

- having regard to the Commission's 'Intelligent Energy - Europe' Programme[2], its Communication of 7 December 2005, 'Biomass Action Plan' (COM(2005)0628), and its Communication of 8 February 2006 on EU Strategy for Biofuels' (COM(2006)0034),

- having regard to Directive 2003/30/EC of the European Parliament and of the Council of 8 May 2003 on the promotion of the use of biofuels or other renewable fuels for transport[3],

- having regard to Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel fuels and amending Council Directive 93/12/EEC[4],

- having regard to Council Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural

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1 OJ L 283, 27.10.2001, p. 33. Directive as last amended by the 2003 Act of Accession.

2 Decision No 1230/2003/EC of the European Parliament and of the Council of 26 June 2003 adopting a multiannual programme for action in the field of energy: "Intelligent Energy — Europe" (2003 — 2006), OJ L 176, 15.07.2003, p. 29.

3 OJ L 123, 17.5.2003, p. 42.

4 OJ L 350, 28.12.1998, p. 58. Directive as last amended by Regulation (EC) No 1882/2003 (OJ L 284, 31.10.2003, p. 1).

policy and establishing certain support schemes for farmers[1],

– having regard to Decision No 280/2004/EC of the European Parliament and of the Council of 11 February 2004 concerning a mechanism for monitoring Community greenhouse gas emissions and for implementing the Kyoto Protocol[2],

– having regard to Council Directive 2003/96/EC of 27 October 2003 on restructuring the Community framework for the taxation of energy products and electricity[3],

– having regard to its resolution of 29 September 2005 on the share of renewable energy in the EU and proposals for concrete actions[4],

– having regard to Rule 45 of its Rules of Procedure,

– having regard to the report of the Committee on Agriculture and Rural Development (A6-0040/2006),

A. whereas the production of renewable raw materials represents a way of linking the common agricultural policy with modern, innovative policies such as those set out in the Lisbon and Gothenburg European Council conclusions,

B. whereas, in the context of sustainable development, the production of renewable raw materials and the use of organic waste can contribute to the improvement of the environment, the sustainable production of energy, employment and regional balance, while playing a role in rendering multifunctional agriculture more diverse and self-sufficient,

C. whereas, by partly replacing fossil energy sources, renewable raw materials are able, hand in hand with a balanced and strategic mix of all energy sources, to contribute to the reduction of the EU energy dependence, minimising the political and economic risks resulting from imports; whereas, at the same time, renewable raw materials contribute to the reduction of greenhouse emissions as well as to a better management of the life cycle of materials,

D. whereas the development of non-food crops must not undermine the strategic objective of food self-sufficiency, which has been one of the objectives of the common agricultural policy since its inception,

E. whereas although non-food crops appear to offer new opportunities for modern farming, particularly in the domain of energy, care must be taken when setting the competitive framework within which the substitution of non-food crops is viable for farmers and enables a new processing industry to operate,

F. whereas if the EU's move towards energy diversification for the purpose of combating the

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1 OJ L 270, 21.10.2003, p. 1. Regulation as last amended by Regulation (EC) No 319/2006 (OJ L 58, 28.2.2006, p. 32).

2 OJ L 49, 19.2.2004, p. 1.

3 OJ L 283, 31.10.2003, p. 51. Directive as last amended by Directive 2004/75/EC, OJ L 157, 30.4.2004, p. 100.

4 *Texts adopted*, P6_TA(2005)0365.

greenhouse effect is to have any validity, policies designed to develop biofuels and exploit biomass must themselves be based on energy-saving production models,

G. whereas although the development of non-food crops may help alleviate global warming, energy and environmental cost-benefit analyses should be undertaken from the outset, in order to calculate all the production costs and accurately assess the value of any new guidelines that may be adopted,

H. whereas oil and natural gas reserves are steadily diminishing, oil production is likely to decline during the course of the next 15 years, and oil prices will consequently rise; whereas it is therefore imperative that the use of energy in the agricultural and food sector is sparing and efficient, above all through a reduction in the transport distances and through decentralised food supply and energy production,

I. whereas the use of biomass for the production of energy is multi-faceted, involving energy production, environmental protection, standardisation, and security of supply through the use of local renewable energy sources and raw materials,

J. whereas the need of the rapidly industrialising economies of Asia and other developing areas for conventional fuels will increase significantly in the near future, representing a key factor in the reduction of world oil reserves,

K. whereas security of supply must be ensured through the diversification of energy sources, in order to make the EU less dependent on the imports of fossil fuels from third countries,

L. whereas, in rural areas, biofuels can create much more employment than fossil fuel alternatives and can even provide a genuine socio-economic alternative in many areas affected by a decline in or the disappearance of native crops subject to CAP reforms, as in the case of sugar beet and cotton,

M. whereas the increased use of renewable energy sources can have a beneficial impact, including, among other things, on jobs in areas of high unemployment, by fostering increased production in agricultural areas, higher employment levels and the development of industry and services in connection with renewable energy sources and a resumption of the farming of land abandoned as a result of political changes in the new Member States,

N. whereas Directive 2003/30 EC on biofuels provides that, by 2010, the target consumption of biofuel as a proportion of all transport fuel should be 5,75%, which corresponds to the equivalent of 40 million tonnes of carbon dioxide per year; whereas the level of consumption of biofuel in Member States is at present only 1,4% of total transport fuel; and whereas a substantial change in policy is therefore recommended,

O. whereas many Member States rely on fuel tax exemptions to promote the production of biofuels, which is facilitated by Directive 2003/96/EC on energy taxation,

P. whereas it is necessary to establish an internal market for agricultural products for energy and fuel purposes,

Q. whereas all EU and Member State subsidies, tariffs, and regulations or directives relating to the promotion of energy crops and biofuels must be sustainable and compatible with WTO obligations,

R. whereas the cultivation of energy crops can impact positively on biodiversity, soil, and water resources, provided that cultivation extends crop rotation, cross-compliance requirements are fully observed, and active steps are undertaken to improve soil fertility,

S. whereas the potential of agricultural and forestry by-products, such as wood, wool, manure, straw, and slaughter waste should be further exploited in the context of energy production from agricultural products,

T. whereas not only consumers, but also farmers and forest holders need to be informed about the properties of non-food uses of crops, biomass production, renewable energy and the opportunities they provide for the farm and forest sectors,

U. whereas the recent CAP reform has created the conditions necessary for the development of non-food crops through decoupling, the use of the energy crops regime, and the cultivation of set-aside land,

V. whereas biomass energy is a renewable source of energy with a huge potential, particularly for sustainable farming,

W. whereas the main forms of biomass energy include transport biofuels (made mostly from cereal, sugar and oil seed crops and waste oils), domestic biomass heating (using wood and wood residues), the burning of wood wastes, straw, and agricultural waste in power plants to produce electricity or heat or both,

X whereas renewable energy currently has prospects of comprising only 9 to 10% of the EU's energy mix by 2010 and not the 12% target,

Y. whereas, since the new Member States of Central and Eastern Europe, together with Bulgaria and Romania, which are due to accede to the EU, are potential producers of renewable energy sources and they since receive or will receive a significant share of the aid from the EU's Structural and agricultural funds, it is necessary to encourage these countries fully in order to make effective use of their resources and include them in the horizontal rules of the CAP,

Z. whereas, in the light of the EU's sugar reforms and discontinuation of the production of sugar beet, a thorough analysis should be made of the feasibility of increasing the existing potential for production of biofuels from sugar beet and other alternative crops on the land concerned,

A future for non-food crops

1. Stresses the importance of increasing the support for research and development in non-food crop technology to enhance the potential and the efficiency of the industry; suggests that emphasis should be placed on the most viable bio energy projects, which are most likely to contribute to the rural economy, and which demonstrate the ability of biomass to contribute significantly to EU energy demands;

2. Calls on the Commission to define a Community strategy and action plan to promote renewable energy sources in order to contribute to guaranteeing the security of food supply and improving energy efficiency in the EU, so as to ensure that secure food supplies are backed up by the best possible use of renewable raw materials;

3. Underlines the fact that, far from being mutually exclusive objectives, the promotion of biofuels can have a major role to play in guaranteeing secure food supplies by keeping land in agricultural use;

4. Calls upon the Commission to compile, with the assistance of the Member States, associations, and the parties concerned, a record of all individual and collective experiences relating to the use of biomass (renewable raw materials and organic waste from farming and forestry) for the production of biofuels, heat, and electricity, so that the most valuable initiatives can be replicated throughout the EU;

5. Welcomes the efforts already made by the Commission to promote further deployment of crops for non-food purposes and to improve the efficiency of energy use via the setting up of its 'Intelligent Energy - Europe' programme, its 'Biomass Action Plan', and its Communication on Biofuels; calls, however, for better coordination with steps already taken in the Member States; encourages the Commission to adhere to the timetable announced for the initiatives and to implement the measures stemming therefrom as soon as possible;

6. Considers, in the context of the long-term planning of EU energy policy, and ensuring that investors and producers benefit from economic and business certainty, that national action plans for biomass should be drawn up on the basis of integrated proposals, specifying priorities for the use of certain types of biomass and setting out specific environmental measures and policies for informing consumers about the benefits, problems and the contribution of this renewable energy source to sustainable development;

7. Stresses the need to carry out research to explore the economic, ecological and technical factors involved in selecting suitable crops for cultivation on the basis of the particular nature of the soil and climate in each area;

8. Calls on the Commission, in the agricultural sector as it does in other sectors, to promote, as a matter of priority, energy saving, the use of agricultural by-products for energy and the decentralised use of renewable materials;

9. Stresses that the raw materials required for the production of biodiesel, bioethanol and heat and electricity generated from biomass should be sourced primarily from Member States' own reserves;

10. Highlights the potential offered by the developments and the investments in the non-food crops sector for farmers subject to the sugar reform;

11. Stresses the importance of making the targets in Directive 2003/30/EC on biofuels obligatory, with the establishment of robust monitoring mechanisms and with the aim that the commitments undertaken be achieved primarily from local European production; to this end, considers that the EU's trade policy must be consistent with this objective;

12. Emphasises the fact that the establishment of obligatory targets must not result in the disappearance of or a reduction in the existing incentives for the production of biofuels in the EU; considers that the establishment of such targets should be subject to a revision of the Community rules on the taxation of energy products;

13. Stresses, against a background of increasing scarcity of raw material resources, the importance of market mechanisms, which allow biomass energy sources to become competitive on a sustainable basis, even without public subsidies;

14. Stresses that the development of the use of renewable energy sources should be considered in individual Member States taking into account local conditions, in close conjunction with the possibilities for such development;

15. Points out the fact that all rural areas have considerable potential for biomass production but that the poorest of them always find it more difficult to harness that potential on account of their lower production levels and their natural and structural handicaps; points out that these areas should therefore be given priority in the use of Structural Funds for the purpose of exploiting their potential;

16. Stresses the need, in the context of national and regional development strategies for 2007-2013, to draw up operational programmes to make use of biomass and to ensure that they are jointly financed by the Structural Funds, the Cohesion Fund, and the seventh framework programme of the European Community for research, technological development and demonstration activities (2007-2013),

17. Insists that measures to promote energy crops must not be allowed to lead to further increases in domestic and business energy bills and consequently to a worsening of Europe's ability to compete as an attractive location worldwide;

18. Urges the Commission to review the set-aside arrangements under the energy crops scheme, as set out in the CAP reform, and to increase substantially the maximum area eligible for additional aid and the level of payment; points out in this connection that it has recently called for the aid granted in respect of land used to grow energy crops to be increased to EUR 80 per hectare per year, on the basis of a maximum guaranteed area of 2 200 000 hectares;

19. Urges the Commission to extend the list of crops eligible for cultivation for the production of biofuels in the support systems, to ensure that the most suitable energy crops are selected at local and regional level, to ensure corresponding forms of support for all forms of renewable energy sources, such as bioethanol, biodiesel and anaerobic digestion (biogas), and to provide producers with sufficient incentives to switch to this type of crop;

20. Stresses that the promotion of crops for non-food purposes must be financed adequately, to include the rational use of funds, without thereby jeopardising the other objectives for the use of the European Agricultural Fund for Rural Development laid down in Council Regulation (EC) No 1698/2005 of 20 September 2005;

21. Calls on the Commission to remove the barriers to the development of energy crops in the new Member States, which apply a simplified single area payment scheme (SAPS) and thus receive no financial support from the EU;

22. Considers it important for energy crop premiums to be excluded from the phasing-in mechanism in the new Member States;

23. Takes the view that support for energy crops in the new Member States should be separated from the SAPS, with a view to ensuring additional support for such crops;

24. Highlights that, in the longer term, non-food crops must become economically viable and calls on the Commission to provide industry with lasting solutions and a stable regulatory environment, which will encourage it to make the adjustments and investments required on the one hand, and to eliminate the need to provide public funding for such crops on the other;

25. Stresses that particular care should be taken to avoid any intensification of production which may have adverse effects on the environment such as polluting the soil with fertiliser residues and plant protection products and depleting and contaminating water resources;

26. Stresses the importance of encouraging the communication between the farming and the processing sectors through the provision of clear contracts, technology translation and other incentives;

27. Asks the Commission to encourage, proportionately according to the situation of each Member State, the use of grants and loan programmes at EU, national and regional level for purposes such as the construction of processing plants and the development of feedstock;

28. Asks the Commission to evaluate the potential benefits of non-food crops in terms of employment opportunities and reduced transport costs created by renewable energy plants being built in rural areas;

29. Stresses the importance of establishing measures to ensure a certain quality of imported feedstock and the compliance with social and environmental standards on the basis of the standards in force within the EU;

30. Urges the Commission to make further efforts to bring together product standards and support for renewable raw materials throughout the EU in order to promote an internal market for renewable energy sources;

31. Calls on the Commission to support, by means of changes to the rules, the promotion of non-food crops, provided that such promotion meets the sustainable development criteria and encourages multi-functional agriculture throughout the EU;

32. Takes the view that the impact of energy crops on the rural environment should be monitored and that thought should be given to the introduction of a regulation seeking to prevent the uncontrolled spread of crops recognised as invasive in given areas;

33. Calls for the use of existing control mechanisms, such as cross-compliance, in order to ensure that biodiversity and the environmental resources of soil, water and air are not compromised by the bio-based production of fuel, energy, and materials and the reduction of greenhouse gases is in fact achieved;

34. Asks the Commission to consider developing a transparent, public database at EU level, which includes the life-cycle benefits of renewable raw materials together with results from life-cycle assessments;

35. Asks that public procurement strategies support the introduction of materials derived from biomass in order to raise awareness of the potential uses of renewable raw materials and of their wider environmental and health benefits;

36. Urges the Commission to support the dissemination and technological transposition of European research, development and testing of biomaterials, bioenergy, and biofuels and to support a public awareness campaign;

37. Stresses the need for the integration of national research, development and testing of biomaterials at a EU level, particularly with regards to the establishment of an EU-wide research programme on technology for the conversion of biomass into energy, fuel and chemicals;

38. Calls on the Commission to take action with a view to reaching a compromise on biofuels between the motor vehicle and petroleum industries at the earliest opportunity, in line with the principle 'biofuels for cars, not cars for biofuels';

Opportunities provided by speciality crops and products

39. Calls on the Commission to take measures to encourage the production of speciality chemicals from agricultural raw material in order to increase farm income and provide the market with environmentally friendly and healthy products in the place of non-biodegradable chemical products;

40. Recognises that applications for speciality crops can be very effective on a decentralised and small scale, and could therefore benefit a large number of farmers; urges the Commission, therefore, to encourage developments in this area with a view to a gradual increase in their production;

41. Encourages the recent developments made in the plastics, lubricants and insulation industries to replace conventional products by plant-based products; calls on the Commission to make the use of plant-based products compulsory in the event that they constitute good alternatives to conventional products;

42. Underlines the potential of agriculture to produce pharmaceutical crops for the production of vaccines and other products that aim to provide the medical industry with adequate instruments for health care;

43. Supports the use in agriculture of preparations produced from agricultural products such as fertilisers, pesticides and insecticides, encouraging organic farming methods as regards fertilisation and plant protection;

44. Highlights that the increasing consumer demand for environmentally friendly and health-promoting products provides a challenge for the agricultural industry to produce raw material for natural and hypo-allergenic cosmetics, products made from natural, environmentally friendly textiles, and novel food products;

45. Calls on the Commission to encourage further innovation, promising new technologies such as the combined production of paper and bioethanol from straw;

Promoting the production of heat and electricity from agricultural resources

46. Highlights the potential offered by the use of agricultural residues and waste for the production of heating, cooling and electricity, employing methods which are economically efficient and ecologically sound and which are capable of making the agricultural sector and rural communities more self-sufficient;

47. Calls for funding for research and rural development to be increasingly directed towards the more efficient and extensive use of organic waste from farming and forestry for individual and communal purposes in rural areas;

48. Asks the Commission to promote efficient use of the biomass available in the form of forestry and agricultural waste and also the production of energy crops in the form of suitable plants, for example, fast-growing woody plants such as willows and poplars, or grasses such as certain poaceae, without damaging the vegetation communities indigenous to each Member State, for the purpose of generating heat and simultaneously helping to exploit certain types of waste;

49. Stresses the importance of setting obligatory targets for renewable heat generation, heat generation from agricultural by-products and the potential for the use of district heating, which will stimulate the efficient use of biomass as a renewable energy source and the development of new local markets for agricultural products;

50. Stresses that the best possible environment should be created for the use of biomass, clear principles should be laid down for support schemes, and more financial resources should be allocated to boosting the production of biomass and ensuring that it is used more effectively;

51. Calls on the Commission to draw up a recommendation aimed at encouraging Member States to use effective incentives, such as tax cuts, in order to promote the use of renewable energy and the production of energy from renewable, local primary products;

52. Suggests further promoting efforts to encourage the direct on-farm production and use of renewable energy, such efforts having already been made by many small-scale processors, where there are good prospects of rapid commercial success without a need for long-term subsidies;

53. Informs farmers of the opportunities and business options offered by the cultivation of energy crops following the restrictions brought about by the revised common agricultural policy;

54. Encourages the establishment of bio-refineries, which increase the cost efficiency of final products by the integral use of biomass;

55. Calls on the Member States to raise the awareness of their citizens as regards the positive environmental effects of using biomass and renewable energy sources by organising publicity campaigns targeted at the younger generation in particular, in whom an ecological awareness must be cultivated;

56. Points out that due account should be taken of the need to make use of agricultural by-products and other biomass waste, including biodegradable industrial waste;

Opportunities for biofuels

57. Highlights that the replacement of fossil fuels can lead to economic opportunities and the creation of jobs in line with the Lisbon Strategy;

58. Points out that since the EU is required to take action to combat greenhouse gases and to protect the environment, biofuel production - which represents the potential diversification of its energy sources - should comply with the rules upon which sustainable agriculture is based;

59. Draws attention to the need to prioritise conducting studies into the development of new technologies for the production and use of renewable fuels;

60. Urges Member States to consider measures such as further tax incentives and the blending of fossil fuels with biofuels as promising ways to promote biofuels in the future;

61. Stresses, however, that the introduction of fiscal measures such as tax exemptions requires careful handling in order to avoid distorting the market through the over-compensation of imported biofuels and those forms of energy with particularly low production costs;

62. Urges Member States to put in place taxes and duties for sufficiently long durations so as to ensure industry confidence and stimulate investment;

63. Asks the Commission to consider putting in place qualified market access arrangements for biofuel imports from third countries such as Brazil, so as to safeguard the worldwide security of food supply, biodiversity and the CO_2 absorption-capacity of virgin forests, through the targeted levying of duties and the promotion of rural development projects aimed at the sustainable use of resources in third countries, thereby allowing the biofuel industry in the EU to remain competitive while applying high environmental standards;

64. Calls for increased research funding for new economically efficient and sustainable technologies, the development of which are better adjusted to the needs of the biofuel industry;

65. Welcomes that appropriate attention is being paid to promoting research into new and more cost-effective biofuel technologies;

66. Recommends that research and development into second generation biofuels should be given substantial support but also that serious account be taken of the opportunities afforded by existing proposals which make a substantial contribution towards resolving environmental problems, such as the production of hydrogen from renewable energy sources;

67. Acknowledges that biofuels are more expensive than fossil fuels - at least for the time being and until cheaper means of production are found, hence the importance of allocating funds to research - but points out that the mixing of biofuels and fossil fuels has a positive impact on the environment;

68. Calls on the Commission to propose, without delay, a revision of Directive 98/70/EC on the quality of petrol and diesel fuels so as to determine the adequate means to facilitate the realisation of the objectives set out in Directive 2003/30/EC on biofuels, and thereby further to promote biofuels;

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69. Instructs its President to forward this resolution to the Council and Commission.