



Agriculture Committee adopts plans for modern and flexible EU farm policy

Committees Committee on Agriculture and Rural Development [23-01-2013 - 19:03]

EU farm policy reform must distribute EU funding more fairly, make "greening" measures mandatory but flexible and better equip farmers to cope with market challenges. So says the Agriculture Committee's opening position for negotiations with EU member states, as set out in texts voted on Wednesday. This will be the first EU farm policy reform shaped by Parliament as a full co-legislator with member states.

The Common Agricultural Policy (CAP), one of the EU's oldest, must be properly funded to continue to ensure secure supply of high-quality food to EU citizens and enable farmers to protect the environment better, said MEPs, voting on the four legislative proposals.

"This is the moment of truth. The Agriculture Committee has said today how the new CAP should look. It should be more efficient, greener and able to respond to the enormous challenges ahead of us. Such ambitious goals entail higher costs. So any further cuts to the CAP budget are simply unacceptable," said committee chair Paolo De Castro (S&D, IT). He also called on EU leaders to agree on their proposal for the EU's long-term budget, which is "essential to design the final shape of the future CAP", as soon as possible.

Fairer funding

To ensure that direct payments go only to active farmers, the committee included a list of entities, such as airports and sports clubs, which should be automatically excluded from EU funding unless they prove that farming contributes a substantial share of their income. Member states could extend or adapt this list.

MEPs also said that differences among EU member states in the levels of EU funding that farmers receive should be reduced slightly faster than the Commission proposed. Under the new rules, no member state's farmers should receive less than 65% of the EU average.

"The committee has voted for a stronger redistribution of aid among member states, as it is difficult to accept differences of roughly €300 per ha between farmers in different member states", said Luis Manuel Capoulas Santos (S&D, PT), rapporteur for the Direct payments and Rural development regulations.

The rate of payments to farmers within each member state could also be made equal by 2019, but to avoid sudden sharp falls in support that could jeopardise the viability of many farms, member states should still be allowed to deviate from the average by up to 20%, MEPs add.

Capping direct payments

MEPs endorsed Commission proposals to cap direct payments to any one farm at €300,000, and reduce payments to those receiving between €250,000 and €300,000 by 70%, and payments to those receiving between €200,000 and €250,000 by 40%.. Payments to farms receiving between €150,000 and €200,000 would be cut by 20%

Other amendments, seeking to reduce payments to bigger farms even further or on the contrary calling for the capping to be completely rejected, failed to win the support of a majority in committee. MEPs nonetheless adapted the rules proposed by the Commission so as to exclude cooperatives and other groups of farmers who distribute payments received to their members (AM770) and ensure that capped money remains in the region where it was capped and is used for rural development programmes.

More flexible greening

New environment protection rules, which will make 30% of national budgets for direct payments conditional upon compliance with mandatory greening measures, must be made more flexible, say MEPs. The three key measures - crop diversification, maintaining permanent pasture and permanent grassland and creating "ecologically focused areas", would remain but with certain exceptions, e.g. to reflect the size of the farm. Farms with under 10 ha of arable land should be exempt and the rules should be relaxed for holdings of 10 - 30 ha, say MEPs.

Farms that are certified under national or regional environmental certification schemes, and hence are already using environment-friendly practices, would be exempt from "greening" measures provided that the measures they apply have an impact that is at least equivalent to that which the mandatory greening ones would have.

"We have managed to bring greening into the first pillar of the CAP, making it possible for every farmer in the EU, not just those in countries that can afford to fund it under rural development programmes. This greening is clearly subject to EU rules, and now needs to be paid for by real EU money for a public good", Mr Capoulas Santos said.

Risk management

Risk management tools should be funded from the budget for rural development programmes, not from the direct payments budget as is the case today, said MEPs, agreeing with the Commission's proposal. The income stabilisation tool should take the form of financial contributions to mutual funds or to buy insurance against the risk of severe drop in income, MEPs say. They also call on the Commission to do a mid-term review of the risk management tools and table a legislative proposal, if needed.

Strengthening farmers' bargaining position

To better equip farmers to cope with market volatility and manage crises but also to strengthen their price bargaining position, producer organisations should be given significantly wider powers and new tools, say MEPs. Farmers' organisations should be allowed to use crisis-prevention and crisis-management instruments including, as a last resort, market withdrawal. Furthermore, they should have the right to negotiate, on behalf

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of their members, input and delivery contracts without falling foul of competition law, say MEPs.

"The idea that farmers should band together must not translate into cartels but it should allow them to break free from economic dependence and guarantee them a decent standard of living. Establishing strong producer organisations for all sectors, with much greater freedom of action than originally proposed by the Commission, is an appropriate way to achieve that aim", said Michel Dantin (EPP, FR), rapporteur for the Common markets organisation regulation.

Results of the votes so far

The draft mandate for negotiations with member states on the future direct payments rules was approved by 31 votes to 12 with 1 abstention.

The draft mandate for negotiations with member states on the future rural development rules was approved by 34 votes to 10.

The draft mandate for negotiations with Member States on future common market organisation was approved by 26 votes to 14 with 4 abstentions.

We shall update this release with the result of the final vote tomorrow.

Next steps

The Agriculture Committee's negotiating position must win the blessing of Parliament as a whole before MEPs can start negotiations with member states on the final shape of future EU farm policy. The plenary vote is provisionally scheduled for March session in Strasbourg, pending final figures for the EU's Multiannual Financial Framework (MFF) for 2014 to 2020. The next summit of EU heads of states and governments to deal with the future MFF is scheduled for 7-8 February.

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