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# REPORT

the CAP towards 2020: meeting the food, natural resources and territorial challenges of the future  
(2011/2051(INI))

Committee on Agriculture and Rural Development

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*United in diversity*

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### **the CAP towards 2020: meeting the food, natural resources and territorial challenges of the future (2011/2051(INI))**

*The European Parliament,*

- having regard to the Communication from the Commission, ‘The CAP towards 2020: Meeting the food, natural resources and territorial challenges of the future’ (COM(2010)0672),
- having regard to Article 43(2) of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EC) No 1290/2005 on the financing of the common agricultural policy<sup>1</sup>,
- having regard to Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)<sup>2</sup>,
- having regard to Council Decisions 2006/144/EC<sup>3</sup> and 2009/61/EC on Community strategic guidelines for rural development<sup>4</sup>,
- having regard to Regulation (EC) No 1234/2007 establishing a common organisation of agricultural markets<sup>5</sup>,
- having regard to Regulation (EC) No 73/2009 establishing common rules for direct support schemes for farmers<sup>6</sup>,
- having regard to its resolution of 8 July 2010 on the future of the Common Agricultural Policy after 2013<sup>7</sup>,
- having regard to its resolution of 16 June 2010 on EU 2020<sup>8</sup>,
- having regard to the Council Presidency Conclusions of 17 March 2011 on ‘the CAP towards 2020’,
- having regard to the Opinion of the European Economic and Social Committee of 18 March 2010 on ‘the reform of the common agricultural policy in 2013’,

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<sup>1</sup> OJ L 209, 11.8.2005.

<sup>2</sup> OJ L 277, 21.10.2005.

<sup>3</sup> OJ L 55, 25.2.2006.

<sup>4</sup> OJ L 30, 31.1.2009.

<sup>5</sup> OJ L 299, 16.11.2007.

<sup>6</sup> OJ L 30, 31.1.2009 and OJ L 43, 18.2.2010.

<sup>7</sup> Texts adopted, P7\_TA(2010)0286.

<sup>8</sup> Texts adopted, P7\_TA(2010)0223.

- having regard to the Opinion of the Committee of the Regions, ‘The CAP until 2020 – food, natural resources and rural areas – the future challenges’,
  - having regard to Rule 48 of its Rules of Procedure,
  - having regard to the report of the Committee on Agriculture and Rural Development and the opinions of the Committee on Development, the Committee on the Environment, Public Health and Food Safety, the Committee on Industry, Research and Energy and the Committee on Regional Development (A7-0202/2011),
- A. whereas a sustainable, productive and competitive European agricultural sector makes a vital contribution to meeting the objectives set by the Treaties for the CAP and the objectives of the EU 2020 Strategy, whereas it can also help to meet new political challenges such as security of supply of food, energy and industrial raw materials, climate change, the environment and biodiversity, health and demographic change, and whereas the forthcoming CAP reform will be the first in which the European Parliament will co-legislate with the Council, in accordance with the Lisbon Treaty,
- B. whereas food security remains the central challenge for agriculture not only in the EU but globally, in particular in developing countries, as the world population is predicted to grow from 7 to more than 9 billion by 2050, requiring a 70% increase in global agricultural production according to the FAO; whereas more food will need to be produced against a background of higher production costs, severe volatility in agricultural markets and mounting pressure on natural resources, meaning that farmers will have to produce more using less land, less water and reduced energy inputs,
- C. whereas food has a strategic importance and whereas the most favourable way of ensuring food security is by maintaining a stable, competitive agricultural sector; whereas a strong CAP is central to this and to the preservation, environmental sustainability and economic development of the EU's rural areas in the face of the threat of land abandonment, rural depopulation and economic decline,
- D. whereas the CAP reform of 2003 and the Health Check of the Common Agricultural Policy of 2008 have sought to contribute to a new architecture for the CAP that is more effective and transparent, characterised by greater market orientation; whereas this process must be continued and the administration of CAP instruments and procedures must be significantly simplified in practice in order to reduce the burden on farmers and administrations,
- E. whereas in its resolution of 8 July 2010 on the future of the CAP after 2013 the European Parliament laid the foundations for a sustainable agricultural policy which would allow European producers to be competitive in local, regional, national and international markets, and whereas it supported the concept of a multifunctional, broad-based agriculture spread throughout Europe, particularly in areas with natural handicaps and extremely peripheral areas, and also took into

account the difficulties faced by small farms,

- F. whereas the CAP must be equipped with the necessary instruments to cope with serious market and supply crises and extreme price volatility in the agricultural sector; whereas it must be ensured that these instruments are not only up to date and effective but also flexible, so that they can be implemented quickly when necessary,
- G. whereas the incorporation of renewed and ambitious objectives into the CAP, particularly relating to consumer protection, environmental protection, animal welfare and regional cohesion, is to be welcomed and these high standards should be defended at international level so as to ensure the viability and competitiveness of European farmers, who face higher production costs; whereas long-term productivity and food security, especially in view of climatic disturbances, depends on due care for natural resources, particularly soil, water use and biodiversity,
- H. whereas the agricultural sector has a crucial role to play in the fight against climate change, in particular by reducing its own greenhouse gas emissions, by developing carbon sequestration and through the production of biomass and sustainable energy, thereby creating an additional revenue stream for farmers' incomes,
- I. whereas the CAP should also support specific management of farmland which is rich in biodiversity (such as high nature value farmland) and agro-ecosystems within Natura 2000 areas and, in this context, a transition to lower-input models (including organic farming), permanently unploughed pastures or agricultural wetlands,
- J. whereas at a time of rapid upheaval in agricultural markets and numerous new political challenges (e.g. EU 2020), farmers urgently need legal security, particularly regarding the financial framework, and whereas the European Parliament continues to insist that the annual appropriations allocated to agriculture during the next financial planning period should be maintained at least at the level planned for 2013 and should, moreover, be set at the level necessary to continue to guarantee a strong and solid CAP that is capable of responding to present and future challenges,
- K. whereas the share of CAP expenditure in the EU budget has steadily decreased from nearly 75% in 1985 to a projected 39.3% in 2013, whereas the CAP, despite being one of the longest-standing policies of the EU and the only one which has been communitised, accounts for less than 0.5% of the EU's GDP, while public expenditure accounts for some 50% of GDP, and whereas, following the successive enlargements of the European Union, the area of agricultural land has increased by 40% and there are twice as many farmers as in 2004,
- L. whereas according to the latest Eurobarometer poll, 90% of EU citizens surveyed consider agriculture and rural areas to be important for Europe's future, 83% of

EU citizens surveyed are in favour of financial support to farmers and, on average, they believe that agricultural policy should continue to be decided upon at European level,

- M. whereas the European Parliament has often expressed its opposition to a renationalisation of the CAP and an increase in cofinancing, which could detract from fair competition on the EU internal market, and therefore, looking ahead to the forthcoming reform, once again rejects any attempt to renationalise the CAP by means of the cofinancing of direct payments or a transfer of funds to the second pillar,
- N. whereas a two-pillar CAP should be retained, with each pillar's structure and objectives being clearly defined and designed in a way that allows each to complement the other,
- O. whereas small farmers in the EU make a vital contribution to the CAP's objectives and whereas the obstacles they face must be duly taken into account in the reform process,
- P. whereas, in the new Member States applying the single area payment scheme, a large proportion of farmers, especially in the stockbreeding sector, are not entitled to direct payments because they do not own agricultural land,
- Q. whereas farmers are receiving a steadily decreasing share of the value added generated by the food supply chain and whereas a properly functioning food supply chain and measures to improve the bargaining position of producers are necessary prerequisites to ensure that farmers obtain a fair return for their produce,
- R. whereas the per capita real income of farmers has fallen dramatically in the past two years and whereas, as a result of constant decline, it has now fallen below the level it had attained nearly 15 years ago, whereas agricultural incomes are notably lower (by an estimated 40% per working unit) than in the rest of the economy, and income per inhabitant in rural areas is considerably lower (by about 50%) than in urban areas and whereas Eurostat data shows that employment in the agricultural sector fell by 25% between 2000 and 2009,
- S. whereas the world economy is becoming increasingly integrated and trade systems are being liberalised more by multilateral and bilateral negotiations and whereas agreements at multilateral and bilateral level must ensure that third-country production methods for export to the EU provide European consumers with the same guarantees in terms of health, food safety, animal welfare, sustainability and minimum social standards as those provided by EU methods,
- T. whereas rural development, in the face of growing disparities, loss of social capital and cohesion, demographic imbalances and out-migration, is a vital component of the CAP and whereas future rural development policies need to work towards a better territorial balance and offer less bureaucratic and more participatory governance of rural development programmes, which should include

measures to increase the competitiveness of the farming sector and effectively support the strengthening and diversification of the rural economy, protect the environment, promote education and innovation, boost quality of life in rural areas, especially in less-favoured areas, and counteract the abandonment of farming by young people,

- U. whereas, on the one hand, only 6% of European farmers are aged under 35 and, on the other, 4.5 million farmers will retire in the next 10 years; whereas generational renewal should therefore be seen as one of the priority challenges for the future CAP,
  - V. whereas the CAP must take into account the need to mitigate the specific constraints and structural problems facing the agricultural and forestry sectors in the outermost regions of the EU as a result of their insularity and remoteness and the fact that the rural economy is heavily dependent on a small number of agricultural products,
  - W. whereas quality policy is an integral part of the future CAP, which means that developing and strengthening this policy, particularly in the case of geographical indications, will be decisive for the sustainable growth and competitiveness of European agriculture,
1. Broadly welcomes the Commission Communication ‘The CAP towards 2020: meeting the food, natural resources and territorial challenges of the future’; recognises the need for further reform of the CAP in line with the changing nature of the farming industry in the EU27 and the new international context of globalisation; calls for the continuation of a strong and sustainable CAP with a budget commensurate with the ambitious objectives to be pursued in an effort to meet the new challenges; firmly rejects any moves towards a renationalisation of the CAP;
  2. Calls for the CAP to remain structured around two pillars; points out that pillar 1 should remain fully financed by the EU budget and yearly based, while multiannual programming, a contractual approach and cofinancing should continue to apply under pillar 2; insists that the two-pillar structure should serve the purpose of clarity, each pillar complementing the other without overlapping: the first pillar should deliver objectives which require ‘across-the-board’ action whereas the second pillar should be outcome-oriented and flexible enough to easily accommodate national, regional and/or local specificities; considers, therefore, that, whilst the current two-pillar architecture should be retained, changes to it are essential in order to target more effectively all the measures needed under each of the two pillars and their respective financing arrangements;
  3. Points out that food security remains the *raison d’être* of agriculture, not only in the EU but also throughout the world, and in particular in the developing countries, since the world faces the challenge of feeding 9 billion people by 2050 while reducing the use of scarce resources, notably water, energy and land; calls for a sustainable, productive and competitive European agricultural policy that

makes a significant contribution to meeting the objectives set by the Treaties for the CAP and the EU 2020 Strategy priorities of smart, inclusive and sustainable growth; believes that agriculture is well placed to make a major contribution to tackling climate change, creating new jobs through green growth and supplying renewable energy whilst at the same time continuing to provide safe, high-quality food products and food security for European consumers;

4. Considers it essential to establish a clear set of rules for the longer term so that European farmers can plan the investment needed to modernise agricultural practices and develop innovative methods that will lead towards more agronomically sound and sustainable agricultural systems, a process vital to guaranteeing their competitiveness on local, regional and international markets;
5. Believes that, in the interests of simplification, clarity and a common approach, funding for each pillar of the CAP must be agreed from the start of the reform;
6. Calls for the EU agricultural budget in the next financing period to be maintained at least at the same level as the 2013 agricultural budget; recognises that adequate financial resources will be necessary in order to meet the challenges of food security, environmental protection, climate change and territorial balance in an enlarged EU, as well as to allow the CAP to contribute to the success of the EU 2020 Strategy;
7. Is convinced that this new agricultural policy, geared to sustainable food production systems, must primarily be based on greater overall complementarity between the first pillar, which covers direct payments, and the second pillar, which deals with measures to support rural development; takes the view that under the new CAP public funds must be recognised as a legitimate form of payment for public goods provided to society whose costs are not offset by market prices and that public money should be used to incentivise farmers to deliver European-wide extra environmental services; believes that this targeted approach will deliver EU-wide objectives while offering the necessary flexibility to accommodate EU agricultural diversity; believes that such a system would make every element of the payments deliver clear public benefits in a transparent manner for the taxpayer, farmers and society as a whole;
8. Calls for sustainability, competitiveness and fairness to be guiding principles underpinning a CAP which preserves the special character of the individual sectors and production locations, with the task of providing the people with safe and healthy food in sufficient quantities and at appropriate prices, and providing raw materials for a strong European processing and agri-foodstuffs industry, as well as for renewable energy production; emphasises that the EU's standards in terms of food safety, environmental protection, animal welfare and respect for minimum social standards are the highest in the world; calls for a CAP that guarantees the high standards of European agriculture in international competition (external quality protection);
9. Recognises that many of these new challenges and objectives are embodied in

legally binding international commitments and treaties which the EU has agreed upon and signed, such as the Kyoto Protocol/Cancun Agreements and the Ramsar and Nagoya Conventions;

10. Stresses that simplification is fundamental and must be a driving objective of the future CAP, with the costs of administering the policy at Member State level being reduced, and that clear common legal bases are needed, which must be notified promptly and lend themselves to uniform interpretation;
11. Stresses that the development of food quality policy, including in terms of geographical indication (PDO/PGI/TSG), must be a priority aspect of the CAP and be deepened and strengthened so that the EU can maintain its leadership position in this area; takes the view that, in the case of these high-quality products, the use of original management, protection and promotion instruments should be allowed, enabling them to develop in a harmonious fashion and to continue to make their major contribution to the sustainable growth and competitiveness of European agriculture;
12. Calls on the Commission to intensify its efforts in the field of research and development for the purposes of innovation and promotion; urges therefore that future EU research and development programmes devote constant attention to agricultural and nutritional research;

#### ***Direct payments***

13. Notes that decoupled direct payments, conditional upon cross-compliance requirements, can help to support and stabilise farm incomes, allowing farmers to supply, in addition to food production, vitally important public goods for the whole of society, such as ecosystem services, employment, landscape management and rural economic vitality throughout Europe; considers that direct payments should reward farmers for providing these public goods, as the market does not supply public goods alone and does not yet recompense farmers for providing them, at a time when farmers often face high production costs in order to produce high-quality food and low farmgate prices for their produce;
14. Calls for a strong, well funded first pillar to remain in existence that is capable of meeting the new challenges to European agriculture;
15. Calls for a fair distribution of CAP funding for the first and second pillars both among Member States and among farmers within a Member State, in which a pragmatic approach should be the fundamental principle for objective criteria; rejects major disparities in the distribution of these funds among Member States; takes the view that this will entail the gradual replacement, following a transitional period, of the system based on outdated historical reference values with support payments which are fair and thus allocated more effectively among countries, among different agriculture sectors and farmers; points out that this also calls for more effective support payments which are better targeted and offer greater incentives in order to help agriculture make a shift towards more sustainable

farming systems; in line with the Commission Communication, rejects a uniform flat-rate direct payment for the whole of the EU which would not reflect European diversity; considers that preserving the diversity of farming and production locations in the EU is a central objective and therefore advocates taking account of the specific production conditions in the Member States as far as possible through a more targeted system of direct payments;

16. Advocates therefore a single farm payment system which effects a certain redistribution in the interests of fair distribution of direct payment funds in the EU as a whole; proposes that each Member State should receive a minimum percentage of the EU average direct payments and that a ceiling should be set; advocates the earliest possible implementation with a limited transitional period;
17. In the case of direct farm payments, advocates moving away from historical and individual reference values used for distribution among Member States and calls for a transition to an area-based regional or national premium for decoupled payments in the next financing period; recognises, however, that the situations in the individual Member States are very disparate, requiring special measures per region;
18. Considers that Member States which currently apply the simplified Single Area Payment Scheme (SAPS) should switch, after a limited transitional period, to the single farm payment system with entitlements; calls for support, including financial and technical support, in making the conversion;
19. Welcomes the recognition of the role of small farmers in European agriculture and rural development; is in favour of establishing a specific, simplified aid scheme for small farmers, who help to stabilise rural development; calls on the Commission, in the interests of transparency and legal security, to establish flexible and objective criteria for the status of small farmers to be defined by each Member State; calls for Member States to decide, in accordance with subsidiarity, which farmers qualify for this scheme;
20. Calls for a further simplification of the direct payment system, especially for simplified transfer rules for payment entitlements in the event of non-activation, for the rules governing the national reserve, depending on the transition to the regional/national single area payment, for merging of minimum payment entitlements and for an effective and unbureaucratic monitoring system for both pillars; considers that administrative systems which can be proven to be operating well should be looked upon favourably in the light of the scale of monitoring prescribed;
21. Notes that measures to target generational renewal in the agricultural sector are needed, given that only 6% of European farmers are younger than 35 and, at the same time, 4.5 million will retire in the next ten years; recognises that young farmers face obstacles to starting up, such as high investment costs and lack of access to land and credit; emphasises the fact that the measures for young farmers contained in the second pillar have proved to be insufficient to stop a rapid ageing

of the agricultural sector and calls for proposals to reverse this unsustainable trend, which should include changes to the rules governing the national reserve to gear them more to young farmers;

22. Stresses that the CAP should be gender-neutral and that both spouses should be assigned the same rights when working in the business; highlights the fact that about 42% of the 26.7 million people working regularly in agriculture in the European Union are women, but that only one holding in five (around 29%) is managed by a woman;
23. Considers that decoupling has essentially proved its worth, allowing greater autonomy in decision-making on the part of farmers, ensuring that farmers respond to market signals and placing the vast bulk of the CAP in the WTO green box; endorses the Commission's suggestion that in future as well coupled premiums should continue to be paid in certain areas in which there is no alternative to the established, cost-intensive forms of production and products; acknowledges, therefore, that production-based premiums might be defensible within a narrowly defined framework even after 2013;
24. Calls therefore for Member States to have the option of allowing part of the direct payments to remain wholly or partially coupled within WTO limits in order to finance measures to mitigate the impact of decoupling in specific areas and sectors that are economically, environmentally and socially sensitive; believes furthermore that these payments could promote area-based environmental measures and territorial cohesion and promote, support and boost key sectors, including quality improvement, the production of agricultural raw materials, certain specific types of production or certain types of farming;
25. Observes that, for historical reasons, farms in the European Union have very diverse structures in terms of size, employment arrangements, labour productivity and legal form; is aware that direct payments are being allocated in a way which has called their legitimacy into question; takes note of the Commission's proposal to introduce an upper ceiling for direct payments and welcomes this attempt to address the issue of the CAP's legitimacy and public acceptance; asks the Commission to consider the introduction of similar mechanisms that contribute to these, such as a system of degressivity of direct payments in the light of the size of agricultural holdings that takes into account the objective criteria of employment and sustainable practices;
26. Calls on the Commission to submit practical proposals for helping the livestock farming sectors in the medium and long term to cope with the rising prices of inputs; considers that this could entail incentives for using grassland systems and protein crops in arable rotation, which would deliver greater economic advantages for farmers, respond to the new challenges and lessen dependence on protein crop imports and could have a favourable impact on the cost of animal feed; calls upon the Commission to propose an element of flexibility for Member States along the lines of the current Article 68, to avoid excluding livestock farms focussed on quality and sustainability from the new support system and to take into account

their specific character;

27. Considers that direct payments should be reserved only for active farmers; realises that, under the system of decoupled direct payments, each farmer who uses farmland for production and maintains GAEC should receive direct payments; calls on the Commission therefore to devise a definition of 'active farmer' which the Member States can administer without additional administrative effort or expenditure, while it should be ensured that traditional farming activities (full-time and various degrees of part-time), regardless of legal status, are classified as active farming and that the range of land tenure and various forms of land management arrangements as well as management of common land are taken into account; considers it necessary to specify that the definition of an active farmer should exclude cases in which the administrative costs of making a payment are higher than the actual amount of the payment itself;
28. Advocates compensation for natural disadvantages in the second pillar and rejects a complementary payment in the first pillar on account of the additional administrative work involved;

***Resource protection and environmental policy component***

29. Considers that improved natural resource protection and management is a central element in sustainable farming, which justifies, within the framework of the new challenges and objectives of the EU 2020 Strategy, additional incentives to encourage farmers to adopt environmentally sound practices that go beyond the baseline requirements of Cross-Compliance (CC) and would complement the already existing agri-environmental programmes;
30. Believes that natural resource protection should be more closely linked to the granting of direct payments and calls, therefore, for the introduction, through a greening component, of an EU-wide incentivisation scheme with the objective of ensuring farm sustainability and long-term food security through effective management of scarce resources (water, energy, soil) while reducing production costs in the long term by reducing input use; believes that this scheme should provide maximum support for farmers who are engaged or who wish to engage, step by step, more in agricultural practices designed to achieve more sustainable production systems;
31. Emphasises that this scheme should go hand-in-hand with a simplification of the CC system for recipients of direct payments, should be applied through simple measures, should balance environmental and economic performance, should be relevant from an agronomic point of view and should not be discriminatory towards farmers already participating to a great extent in agri-environmental programmes;
32. Rejects the implementation of a new additional payment system that leads to extra control and sanction systems for greening; insists that practical hurdles for farmers and administrative complexity for authorities must be avoided; insists, moreover,

that, in order to streamline the administrative procedures associated with these measures, all agricultural controls should be, as far as possible, operated concomitantly;

33. Calls therefore on the Commission to submit as soon as possible an impact assessment of the administrative practicalities involved in the implementation of a greening component; emphasises that environmental measures have the potential to boost farmers' production efficiency and insists that any possible costs and income foregone, arising from the implementation of such measures, should be covered;
34. Takes the view that further greening should be pursued across Member States by means of a priority catalogue of area-based and/or farm-level measures that are 100% EU-financed; considers that any recipient of these particular payments must implement a certain number of greening measures, which should build on existing structures, chosen from a national or a regional list established by the Member State on the basis of a broader EU list, which is applicable to all types of farming; considers that examples of such measures could include:
  - support for low carbon emissions and measures to limit or capture GHG emissions
  - support for low energy consumption and energy efficiency
  - buffer strips, field margins, presence of hedges, etc.
  - permanent pastures
  - precision farming techniques
  - crop rotation and crop diversity
  - feed efficiency plans;
35. Believes that the EU has a role to play in meeting the challenges of food security and energy security, and therefore needs to ensure that agriculture plays a full role in meeting both these challenges; believes therefore that it is inappropriate for compulsory set-aside to be included in the list of sustainability measures as proposed by the Commission;
36. Calls for the CAP to include targets for the use of sustainable energy; believes that the agriculture sector could use 40% renewable fuels by 2020 and be fossil-free by 2030;
37. Notes that next-generation biotechnology is ready now and therefore urges the Commission to develop a cross-sectoral biomass policy for next-generation biotechnology including sustainability criteria for biomass as part of the reform of the CAP to enable the development of a sustainable market for biomass from agriculture, agroindustrial enterprises and forestry by incentivising the collection of available residue for bioenergy production, whilst preventing an increase in emissions and a loss of biodiversity;
38. Stresses that rational European policies such as cheaper diesel for agricultural use and excise tax exemptions for power and fuel produced for agricultural purposes,

particularly for electrically powered irrigation pumps, could help European farmers to produce more and supply both the domestic and export markets in agricultural products; stresses also the importance of innovative irrigation systems to ensure the sustainability of European agriculture, given the devastating effects of climate change such as drought, heat waves and desertification on farmland intended to supply the people with food;

39. Stresses the need to develop efficient irrigation systems so as to ensure efficient agricultural methods in the Member States capable of covering domestic food demand and supplying the export market in agricultural products, bearing in mind that there will in future be a shortage of water and in particular drinking water;
40. Deplores the fact that the EU's biodiversity targets have yet to be met and expects the CAP to contribute to efforts to achieve these and the Nagoya biodiversity targets;
41. Calls for the new CAP to promote the conservation of genetic diversity, comply with Directive 98/58/EC on Animal Welfare and abstain from funding the production of food from cloned animals and their offspring or descendants;
42. Stresses the importance of exploring all possible opportunities for cooperation between the Member States, involving all stakeholders, for the purposes of soil protection;

#### ***Cross-compliance and simplification***

43. Points out that the CC system makes the granting of direct payments subject to compliance with statutory requirements and the maintenance of farmland in good agricultural and environmental condition, and remains one of the most appropriate means of optimising the provision of baseline ecosystem services by farmers and meeting new environmental challenges by securing the provision of basic public goods; notes, however, that the implementation of CC has encountered a range of problems relating to administration and acceptance by farmers;
44. Considers that direct payments are not justified without conditions and therefore that a CC system that is, as a result of the greening of the CAP, simplified and efficient in practice and at administrative level in terms of controls should apply equally to all recipients of direct payments; emphasises that cross-compliance must be risk-based and proportional and must be respected and sufficiently enforced by the competent national and European authorities;
45. Considers that better resource protection and management should also be a basic element in farming within CC as a result of which greater environmental benefits can be attained; calls for CC controls to become streamlined, effective and efficient and for a targeted approach to the scope of CC; calls for the exchanging and mainstreaming of best practice systems between paying agencies and monitoring bodies, such as the interoperability of databases and best use of appropriate technology, in order to reduce as much as possible the bureaucratic

burden to farmers and administration; considers that CC should be restricted to standards related to farming, which lend themselves to systematic, straightforward monitoring and are based on an obligation to achieve results, and that the rules should be harmonised; emphasises the importance of tolerance levels and the application of proportionality within any new penalty system;

46. Considers that monitoring of CC should be more linked to performance criteria and to encouraging farmers to achieve results; believes furthermore that farmers themselves should be more involved in this monitoring, given their knowhow and practical experience, and considers that this would have the effect of setting an example and motivating less efficient farmers in particular;
47. Rejects the introduction of burdensome and unclear requirements derived from the Water Framework Directive into the cross-compliance system until the state of play of implementation of the Directive in all Member States has been clarified;
48. Recognises the considerable efforts already made in the livestock sector, currently in difficulty, to upgrade buildings and equipment to hygiene and health standards; without prejudice to the basic principles of food safety and traceability, calls for a critical review of certain hygiene, animal health and animal marking standards with a view to ending the disproportionate burdens imposed on small and medium-sized enterprises (SMEs); calls in particular upon the Commission to review EU hygiene standards, particularly local or direct marketing and the shelf life of products, in order to make them proportionate to the risks and avoid placing a disproportionate burden on small production channels such as direct producer-consumer relations and short food supply chains;

#### ***Market instruments, safety net and risk management***

49. Considers that it is important to be able to take action to counter excessive price volatility and react in good time to crises caused by market instability in the context of the CAP and on world markets; recognises the fundamental role played by market support measures in responding to crises in the agricultural sector in the past, particularly the role of intervention and private storage; stresses that market support measures must be effective and activated promptly when needed to avoid serious problems for producers, processors and consumers and to allow the CAP to deliver its primary strategic objective: food security;
50. Emphasises that the CAP should incorporate a certain number of flexible and effective market instruments which act as a safety net, fixed at appropriate levels and available in the event of serious market disruption; believes that these instruments should not be activated permanently and must not serve as a continuous and unlimited outlet for production; points out that some of these instruments exist already, but can be adapted, whilst others can be created as needed; considers that, in view of the widely differing conditions in the individual sectors, differentiated sectoral solutions are preferable to across-the-board approaches; draws attention to the difficulties that farmers encounter in attempting to forward-plan at times of extreme volatility; considers that, given increased

market volatility, market instruments need to be reviewed to enhance their efficiency and flexibility, ensure more rapid deployment, extension to other sectors if necessary and adjustment to current market prices and provide an effective safety net without creating distortions;

51. Takes the view that these instruments should include specific supply-management instruments which, if employed fairly and on a non-discriminatory basis, can provide effective market management and prevent crises relating to overproduction, at zero cost to the Union budget;
52. Calls for a multi-tiered safety net extended to cover all sectors, comprising a combination of tools such as public and private storage, public intervention, market disruption instruments and an emergency clause; calls for private storage and public intervention to be permitted for specific sectors where market disruptions are of limited duration; calls furthermore for a market disruption instrument and an emergency clause to be established for all sectors in common, making it possible for the Commission, under certain circumstances, in the event of crises to take action over a limited period of up to one year, which should be more efficient than hitherto; considers therefore, that a special reserve budget line which could be swiftly activated should be made available in future EU budgets to provide a rapid reaction tool in the event of severe crises in the agricultural markets;
53. Considers that the use of intervention instruments falls within the scope of the executive competences of the Commission; stresses however that the European Parliament must be promptly informed about envisaged actions; emphasises in this context that the Commission must take due account of positions adopted by Parliament;
54. Calls for the effectiveness of the intervention system to be improved by means of an annual assessment, performed pragmatically and in light of the situation on the markets;
55. Considers that, in view of the anticipated environmental, climate and epidemiological challenges and in view of the considerable price fluctuations on agricultural markets, additional, more effective, risk prevention measures accessible to all farmers in the various Member States are of vital importance, at Union, Member State and individual farm level, to protect incomes;
56. Recalls that market-orientated production, direct payments and competitiveness are at the heart of any insurance against risk, and that it is also incumbent on farmers to take account of and anticipate risk; supports the Member States, in this context, in making national risk insurance instruments available to farmers without renationalisation and distortion of the markets; takes the view, therefore, that the Commission should devise common rules on optional support from Member States for risk management systems, possibly by creating common rules conforming to WTO rules in the common market organisation, in order to eliminate any distortion of competition in the internal market; calls, furthermore,

on the Commission to notify all measures to introduce risk management and to submit an appropriate impact assessment with the legislative proposals;

57. Considers that private-sector insurance schemes, as well as multi-hazard insurance schemes (such as climate insurance, insurance against income loss), futures contracts and mutual funds, partly financed by public funds, could be developed and promoted as options in the Member States in view of increasing risks; endorses particularly in this connection joint action by farmers to form consortia and cooperatives; welcomes the development of new innovative tools; stresses, however, that they should be WTO-compliant and not distort intra-EU competition conditions and trade; calls, therefore, for a framework to be provided for those Member States implementing these measures, which should be enshrined in the Single Common Market Organisation;
58. Calls on the Commission to examine the extent to which the role of producer groups or sectoral associations in risk prevention and in promoting quality can be extended to all production sectors; calls for measures of this kind to take particular account of products covered by quality-label schemes;
59. Calls on the Commission to propose, as part of the CAP reform, specific measures to encourage the establishment of new producer organisations, in order to strengthen their market position;
60. Advocates that the 2006 sugar market regime be extended at least to 2020 in its existing form and calls for suitable measures to safeguard sugar production in Europe and to allow the EU sugar sector to improve its competitiveness within a stable framework;
61. Believes that the Commission should consider proposing that planting rights in the wine sector be maintained beyond 2015 and should take account of this in its assessment report, to be submitted in 2012, on the 2008 reform of the wine CMO;
62. Considers that management systems should be reinforced in fruit and vegetables (citrus and all the products concerned), wine and olive oil, and that a more efficient crisis fund in fruits and vegetables, better crisis management in the wine sector and an updated private storage system for olive oil are needed;

### ***International trade***

63. Calls for the EU to ensure consistency between the CAP and its development and trade policies; in particular urges the EU to be attentive to the situation in developing countries and not jeopardise food production capacity and long-term food security in those countries and the ability of their populations to feed themselves, while respecting the principle of Policy Coherence for Development (PCD); considers, therefore, that EU trade agreements on agriculture should not hamper markets in the least developed countries;
64. Recalls the commitment given by the WTO members during the 2005 Hong Kong

Ministerial Conference to achieving the elimination of all forms of export subsidies in full parallelism with the imposition of discipline on all export measures with equivalent effect, notably export credits, agricultural state trading enterprises and the regulation of food aid;

65. Asks the Commission to provide a detailed impact assessment of all ongoing trade negotiations, in particular the EU-Mercosur Association Agreement, which should not negatively affect the developing countries and hinder the effectiveness of the CAP towards 2020;
66. Notes that food is not merely a commodity but that access to food is fundamental to human existence; calls on the EU through its trade and development policies to promote sustainable farming practices and food security in LDCs and developing countries in a context of increasing demand and increasing food prices;
67. Calls on the Commission to examine what role the concentration of international trade in cereals has played in the growth of price fluctuations;

### ***The food supply chain***

68. Calls for global-level solutions to be formulated to tackle speculation in agricultural commodities and extreme price volatility, as they potentially put food security at risk; recognises, however, the importance of a properly functioning futures market in agricultural commodities; takes the view that coordinated international action is the only effective means of curbing excessive speculation; supports, in this connection, the proposal by the French Presidency of the G20 that the group should agree measures to combat the increasing volatility in the prices of agricultural raw materials; advocates a worldwide notification and coordinated action system for agricultural stocks intended to provide food security; observes, therefore, that consideration should be given to maintaining stocks of vital agricultural commodities; emphasises that if these objectives are to be achieved, storage capacities must be increased and market monitoring and surveillance instruments developed; stresses in particular the alarming effects that global price volatility has on developing countries;
69. Highlights the fact that – as opposed to the sectors upstream and downstream of primary agricultural production – average incomes of farmers and rural households have continuously decreased over the past decades compared to the rest of the economy, reaching only half of urban households' incomes, while traders and retailers have substantially increased market power and margins in the food chain;
70. Calls for measures to be taken to strengthen primary producers' and producer organisations' management capacity and bargaining power vis-à-vis other economic operators in the food chain (primarily retailers, processors and input companies), while respecting the proper functioning of the internal market; takes the view that the functioning of the food supply chain must urgently be improved through legislative initiatives to achieve greater transparency in food prices and

action to address unfair commercial practices, enabling farmers to obtain the added value they deserve; calls on the Commission to strengthen the position of farmers and promote fair competition; believes that the appointment of ombudsmen should be considered with a view to solving disputes between the operators along the food supply chain;

71. Considers, furthermore, that with a view to giving farmers a stronger position in the food chain, instruments that will help farmers to run short production chains that are transparent and efficient, have limited environmental impact, promote quality and provide information to the consumer involve fewer intermediaries and promote fair and transparent price formation should be developed;
72. Calls for the retention of the scheme to provide support for the poorest members of society;

### ***Rural development***

73. Recognises the importance of rural development policies as defined and financed in the second pillar, in view of their contribution to improving environmental performance, modernisation, innovation, infrastructure and competitiveness and the need for further development of the rural economy, the agri-foods and non-food sector and a better quality of life in rural areas; also highlights the need for attaining political objectives, including the EU 2020 Strategy objectives of smart, sustainable and inclusive growth, that should also principally benefit farmers and rural communities;
74. Considers that rural development measures must respond to the challenges in the fields of food security, sustainable management of natural resources, climate change, biodiversity loss, depletion of water and soil fertility, and must enhance balanced territorial cohesion and employment; considers that these measures should also encourage self-sufficiency in production of on-farm renewable energy, notably from agricultural waste products; affirms that rural development measures should help to keep increased added value in rural areas, promoting the enhancement of rural infrastructure and the provision of affordable services to local populations and businesses;
75. Considers that, in this context, particular attention should be devoted to assisting young farmers; believes that, given the rapidly ageing rural population in Europe, attractive measures to encourage the establishment of young farmers and other new entrants is essential and that support schemes in the second pillar should be extended, e.g. access to land, grants and favourable loans, particularly in the fields of innovation, modernisation and the development of investment etc., and expects that the implementation of such mechanisms will be made available in all Member States;
76. Proposes that a substantial percentage of agricultural land should be covered by agri-environmental schemes, which should provide financial and technical incentives for farmers to convert to more sustainable, more resource-efficient,

lower-input models of farming;

77. Emphasises that rural development policy must enable all natural and human potential of rural areas to be harnessed also by means of quality agricultural production, for example by means of direct sales, product promotion, supplying local markets and diversification as well as biomass outlets, energy efficiency, etc.;
78. Stresses that appropriate infrastructure for the development and dissemination of agricultural knowledge and innovation systems is needed, including education and training opportunities, farm advisory services and exchange of best practices, so as to modernise agriculture, help innovative farmers to pass on their experience and improve added value chains in rural areas; believes that such programmes should be made available in all Member States;
79. Advocates, therefore, introducing targeted measures, to be decided by the Member States in the second pillar, to attain common rural development objectives of the EU (2020 Strategy); underlines the importance of an overall targeted and outcome-oriented European framework, while recognising that Member States and regional authorities are best placed to decide on the programmes which, locally, can make the greatest contribution to European targets; calls, therefore, for subsidiarity and flexibility to apply when designing rural development programmes and for a strong participative local and subregional partnership approach, applying the LEADER method in the design and implementation of the future European and national rural development programmes; considers that a reduced national contribution applicable to the more targeted measures should be determined on the basis of impact assessments and detailed simulations;
80. Advocates, in the context of rural development, that targeted measures also be provided for the protection of mountain forest;
81. Asks the Commission to establish new financing tools supporting especially farmers entering the agricultural sector in getting access to favourable loans, or a new system, for instance called JERICH0 ('Joint Rural Investment CHOice'), for the Rural Development Fund, based on the experience from the JEREMIE initiative under the Structural Funds;
82. Stresses that Less Favoured Areas (LFAs) are often of high value in terms of the cultivated landscape, biodiversity preservation and provision of environmental benefits, as well as for the dynamism of rural areas; advocates in this context that the compensatory allowance for disadvantaged areas in the second pillar be retained and calls for its effectiveness to be increased; believes that the targeted nature of support to farmers operating in LFAs is of the utmost importance for the continuation of agricultural activities in these areas, thereby reducing the threat of land abandonment; emphasises that the fine tuning of criteria must lie with Member States, and regional and local authorities, within the EU framework;
83. Stresses that rural structures differ widely in the Member States and therefore

require different measures; calls therefore for greater flexibility to allow the Member States and regions to adopt voluntary measures, which should be cofinanced by the EU on condition that these measures have been notified to the Commission and approved; points out that the cofinancing rate should continue to take account of the specific needs and circumstances of convergence regions in the post-2013 period;

84. Advocates that, in the case of second-pillar measures which are of particular importance to Member States, the current cofinancing rates should continue to apply after 2013; stresses, however, that any additional national cofinancing should not lead to a renationalisation of the second pillar or increase the gap in Member States' ability to cofinance their priorities;
85. Stresses that modulation, in all its varieties, both compulsory and voluntary, as a means to fund rural development measures expires in 2012;
86. Calls for abrupt changes in the allocation of appropriations in the second pillar to be avoided, as Member States, local authorities and farms require certainty and continuity to enable them to plan; emphasises that the discussions on the allocation of this funding should be indissociable from the discussions on the allocation of funding under the first pillar; calls therefore on the Commission to establish a pragmatic approach, as the fundamental principle for the redistribution of second-pillar funds; recognises the need for a fair distribution of second-pillar funds between Member States according to objective criteria that must reflect the diversity of needs in European areas; advocates that these changes be achieved after a limited transition period in parallel with the changes made to first-pillar fund distribution;
87. Favours rules on cofinancing in rural development that allow, at regional or local level, for complementarities between public and private funds of the nationally cofinanced share, thus reinforcing the available means to pursue the objectives defined by public policy for rural areas;
88. Calls for a simplification at all levels of programme planning and management in the second pillar in order to boost efficiency; calls further for simplified, effective and efficient systems for the monitoring, evaluation and reporting of cross-compliance measures; believes that checks and monitoring for the first and second pillars should be harmonised and made more coherent, with similar rules and procedures, to reduce the overall burden of checks on farmers; calls for more flexible operation of the five-year commitment period for agri-environmental measures;
89. Calls for cooperatives to be exempted from the provisions of Commission Recommendation 2003/61/EC regarding the non-eligibility of undertakings exceeding specified SME thresholds for access to rural development funding and, in general, aid payments above a certain limit;
90. Takes the view that the outermost regions should continue to benefit from specific

treatment under rural development policy in the future, since the geographical difficulties that they face and the small number of agricultural products on which the rural economy in these areas depends justify maintaining a Community cofinancing rate of up to 85% to cover the cost of their rural development programmes;

91. Welcomes the move towards greater coordination at EU level between rural development programmes and cohesion policy in particular, with a view to avoiding duplication, contradictory objectives and overlapping; recalls, however, that the scale of the projects under EU cohesion policy and rural development programmes is different and therefore advocates that the funds remain distinct and that rural development programmes maintain their focus on rural communities and be preserved as politically autonomous instruments;
92. Takes the view that cohesion policy, together with a new and powerful CAP, will release the economic potential of rural areas and generate secure jobs, guaranteeing the sustainable development of these areas;
93. Stresses the importance of policies designed to encourage cross-border cooperation between Member States and third countries with a view to the adoption of practices to protect the environment and ensure the sustainability of natural resources in cases where farming activities, in particular the use of water, have cross-border implications;
94. Instructs its President to forward this resolution to the Council and the Commission.

13.4.2011

## **OPINION OF THE COMMITTEE ON DEVELOPMENT**

for the Committee on Agriculture and Rural Development

on the CAP towards 2020: meeting the food, natural resources and territorial challenges of the future  
(2011/2051(INI))

Rapporteur: <Depute>Kriton Arsenis

### **SUGGESTIONS**

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

Recital A. Whereas 40% of the global greenhouse gases are emitted in the agriculture sector; whereas agriculture is the main source of methane and nitrous oxide, and both of these greenhouse gases have a much larger warming potential than carbon dioxide; and whereas climate change affects especially poor people in developing countries and diminish farming opportunities;

Recital B. Whereas rural inhabitant in developing countries account for between 70% and 80% of the undernourished; and whereas eradicating extreme poverty and hunger is dependent on improving the living conditions of farmers and agricultural workers in developing countries;

Recital C. Whereas the report by the UN special rapporteur for the right to food "Agroecology and the Right to Food" shows that agroecology can double food production in entire regions within 10 years while mitigating climate change and alleviating rural poverty; recognizes that long term productivity and food security, especially resilience of agricultural systems to climatic disturbances, depends on due care for natural resources, particularly soil, water use and biodiversity;

1. Notes the progress achieved on the CAP reform, decreasing its negative impacts on developing countries; asks the Commission and FAO to launch a thorough evaluation of the CAP and its impact on developing countries; calls for the new CAP to include the principle of 'do no harm' to developing countries as a core objective, in line with Policy Coherence for Development objective, as prescribed in article 208 of the Treaty of Lisbon, and create appropriate mechanisms which ensure that the principle is upheld; notes Article 3 (5) of the TEU that stipulates that the EU shall contribute to free and fair trade and to the eradication of poverty and calls for consistency between the CAP and EU's trade and development policies;
2. Calls for the EU to ensure consistency between the CAP and its development and trade policies; in particular underlines the need for safeguard clauses in trade agreements and the right for developing countries to protect their agricultural markets;
3. Recalls the commitment of the EU, and third party members to the OECD - in the framework of the Doha Round negotiations to eliminate all export subsidies; and to decouple direct payments from production so as to create a level playing field between EU and developing countries' agricultural products and stimulate fair trade and sustainable growth; asks the Commission to implement these changes, whilst financing adequate transitional schemes, in order to avoid negative impacts in European rural areas, and to promote organic and sustainable farming practices, which have low chemical additives (low external inputs) and whose cultivation practices take into account local natural conditions; calls on the EU to support developing countries' demands to protect their food production and to protect their population from the potentially destructive effects of cheap imports; calls further for investments in research for agro-ecological farming methods and for the provision of public services so as to enable small farmers to convert to sustainable organic production,
4. Stresses that greater coherence is needed between the CAP, trade policy and development policy in order to ensure effective development cooperation; also notes that the EU needs to coordinate more effectively with non-state organisations, including the FAO, the United Nations and other international bodies;
5. Considers that the CAP plays an important role in relation to development policy, particularly in the area of food security; points out that the CAP has a contribution to make to meeting increased world demand for food;
6. Notes that factors such as poverty, health, political stability, infrastructure and natural disasters affect food security in developing countries;
7. Notes that food is not merely a commodity but access to food is fundamental to human existence; calls on the EU through its trade and development policies to promote sustainable farming practices and food security in LDCs and developing countries in a context of increasing demand and increasing food prices;
8. Notes that food is not merely a commodity and that access to food is a universal human right; underlines in this context that Europe's responsibility towards global

food security is primarily an issue of allowing and supporting developing countries to increase and diversify their own production to become more food secure and to meet demands on their local markets, rather than a matter of raising its agricultural exports to developing countries; calls on the Commission, in this connection, to carry out an assessment of the human rights impact of economic, free trade and investment agreements concluded by the EU with third countries, in order to ensure that there is no conflict with the EU's own values in the area of external policies;

9. Notes with concern that EU dependence on imported animal feed, particularly soy, has contributed to the growing demand for land abroad, leading to deforestation, the displacement of communities and an expansion of genetically modified soy in South America; accordingly, calls on the Commission to make the reduction of dependency of imported protein feed, i.e. through development and expansion of sustainable protein crops in the EU, one of its main priority;

10. Takes the view that, in the context of tackling international speculation in agricultural commodity prices, the new CAP should establish appropriate mechanisms and rules in agricultural commodity derivatives and enhance transparency; believes that the EU should lead by example, by establishing within its territory local auctioning agricultural markets and local distribution systems, which increase the bargaining power of smallholders in the food supply chain;

11. Recognizes the urgent need to ensure global food security by increasing investment in agriculture in food insecure regions in the world; underlines in this respect that agricultural development must be based in the right to food and the right to produce food and that the EU must recognise and defend the necessity of developing countries achieving food security;

12. Asks the Commission to provide a detailed impact assessment on all ongoing trade negotiations, in particular the EU-Mercosur Association Agreement, which should not negatively affect the developing countries and hinder the effectiveness of the CAP towards 2020.

13. Recognises that reforms of the CAP have significantly reduced the impact of the EU's agricultural production on developing countries with export refunds all but eliminated; calls for the EU to recognise the importance of supporting the agricultural sectors of developing countries, namely by ensuring that agriculture is prioritised in developing countries and in the EU's overseas development aid budget;

14. Calls for the European Union to ensure consistency between the CAP and its development and trade policies, while taking into account the needs and concerns of farmers in the EU Member States and in developing countries whilst respecting the principle of Policy Coherence for Development

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	13.4.2011
<b>Result of final vote</b>	+: 22 -: 0 0: 4
<b>Members present for the final vote</b>	Thijs Berman, Corina Crețu, Véronique De Keyser, Nirj Deva, Leonidas Donskis, Charles Goerens, Catherine Grèze, András Gyürk, Filip Kaczmarek, Miguel Angel Martínez Martínez, Gay Mitchell, Norbert Neuser, Maurice Ponga, Birgit Schnieber-Jastram, Michèle Striffler, Alf Svensson, Eleni Theocharous, Ivo Vajgl, Anna Záborská, Iva Zanicchi, Gabriele Zimmer
<b>Substitute(s) present for the final vote</b>	Cristian Dan Preda, Judith Sargentini, Bart Staes, Patrizia Toia
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	James Nicholson, Edward Scicluna, Catherine Trautmann

13.4.2011

## **OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY**

for the Committee on Agriculture

on the CAP towards 2020 - meeting the food, natural resources and territorial  
challenges of the future  
(2011/2051(INI))

Rapporteur: Karin Kadenbach

### **SUGGESTIONS**

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Agriculture, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Points out that previous CAP reforms (the 1992 McSharry reform, the ‘Agenda 2000’ reform, the 2003 reform and the 2008 health check) were all aimed at ensuring that European farmers meet the highest standards in the world as far as environmental protection and animal welfare and traceability of foodstuffs are concerned; stresses in this connection that farmers are not compensated by the market for the costs entailed in meeting these standards;
2. Calls for the post-2013 CAP to secure the relevant funding, provide incentives and pursue a long-term food security objective designed to encourage sustainable agricultural production and consumption, save energy, promote efficient input use such as reducing harmful chemicals, better respect animal health and welfare and use the potential of ecosystems more effectively; points out that it must be capable of responding to environmental, health and social challenges, such as climate change, depletion of resources, water pollution and soil erosion and loss of biodiversity (including ‘agricultural biodiversity’) without compromising the viability of farms;

3. Calls for the EU agricultural budget in the next financing period to be modernised in line with the EU2020 goals;
4. Welcomes the Commission Communication's focus on the delivery of environmental public goods through the greening of the CAP and its intention to re-integrate diversity in the farm sector, which will be a crucial opportunity to move towards a greener and more sustainable CAP;
5. Considers it necessary to strike the correct balance between the need for increased productivity requiring intensive production methods and the need for the conservation and sustainable use of resources, showing due regard for the environment, public health and animal welfare;
6. Believes that the current very intensive methods of animal production are often unsustainable and have negative impacts on animal health and welfare, which may also negatively impact public health and food safety; therefore calls for the CAP to promote livestock farming methods which respect the environment, as well as animal health and animal welfare;
7. Points out that, as the CAP has to be able to respond to a plethora of challenges concerning population, development, biodiversity, environment and scarcity of land, a new policy initiative has to be created, focusing on the creation of a common European food policy;
8. Points out that the CAP plays a crucial role both for farmers and the general public – who are both taxpayers and consumers – as everyone benefits from safe, nutritious and affordable food, a healthy environment, good health and job prospects, demand for high-quality products is increasing and environmentally-friendly practices are becoming more widespread;
9. Calls for CAP funding to be based on a model which rewards compliance with standards that are in many areas among the highest in the world and the provision of public goods which are not rewarded by the market. This model should include payments linked to natural handicaps, green-point payments, payments for vulnerable regions, including insular and mountainous regions, a solid and simplified cross-compliance baseline for specific farming systems such as organic, High Nature Value farming, for extensively managed pasture and meadows, and for farmers with specific management requirements in Natura 2000 areas;
10. Is in favour of a territorial approach in the funding distribution mechanism which takes into account the wide range of locations in order to promote the sustainability of farms and of the areas concerned;
11. Requests that when CAP funding is allocated, other indicators, in addition to the cultivated area, should be used, such as the quality of production, the use of eco-compatible agricultural techniques, the location of farms in geographically disadvantaged areas and the presence of young people;

12. Calls for a reinforcement of the concept of funding for both pillars subject to the fulfilment of a number of environmental and biodiversity criteria, resource efficiency and public health objectives, so that high-quality food is produced using sustainable practices; points out that sufficient funding is the only guarantee of the success of targeted new and existing agri-environmental measures; points out that in order to hasten the shift towards wide scale organic farming, new financing mechanisms need to be created and calls for measures to strengthen the position of consumers and farmers in a better-functioning food chain;
13. Considers that CAP funding should not be reduced but, rather, modulated in order to boost the actual productivity of cultivated areas and achieve the objectives of protecting the ecosystem, biodiversity, the health of consumers and farmers and obtaining quality agricultural products;
14. Recognises that subsidy payments that promote unsustainable practices contradict the declared objectives of EU environment policy and calls for the payments regime to be adjusted to avoid such contradictions and promote good practice;
15. Is in favour of giving priority to supporting agricultural methods which help slow down climate change or which contribute to carbon sequestration in soil;
16. Stresses the services which European farmers provide to European society, in particular by maintaining a varied cultivated landscape and making an important contribution to the protection and stewardship of natural resources and to climate protection;
17. Stresses that the ‘greening’ of EU agricultural policy is, in reality, nothing new to farmers, as each successive reform has been geared towards strengthening this aspect of the CAP;
18. Emphasises that additional greening that respects ecosystems and product diversification, sound water management, low use of artificial fertilisers, good practices to reduce soil erosion and degradation and enhance soil fertility and measures to restore biodiversity will continue to benefit the environment, while ensuring a sustainable future for EU farming;
19. Emphasises that additional greening must be based on a win-win approach that brings benefits both for the environment and for farmers and society in terms of resource efficiency and increased productivity; also stresses that it is necessary to place the emphasis on research, innovation and new technology;
20. Points out that food prices paid by European citizens can constitute more than 50% of income, approximately 43 million people are at risk of food poverty in the EU and poor nutrition is one of the strongest detrimental determinants of health associated with lower socio-economic status, poverty and social exclusion;
21. Welcomes the Commission’s policy option, which would address the EU’s economic, environmental and social challenges and strengthen the contribution of

agriculture and rural areas to the Europe 2020 objective of smart, sustainable and inclusive growth;

22. Believes that the CAP should support a move from intensive livestock production to more sustainable animal husbandry; therefore calls on the Commission to consider premiums for livestock farmers who use extensive grazing systems and grow their own feed;
23. Points out that the agricultural sector is only one of the sectors which contributes to the economic development of rural areas; calls, therefore, for a broader use of agricultural funds in order to combat the impoverishment of rural areas; points out that nature can also boost economic development, for instance by attracting tourism;
24. Calls for rural development funding to focus on new challenges, agro-ecological innovation, social and economic development including improved access to public services and infrastructure in rural regions, especially weaker or less favoured areas (LFA); this should include support for regional and local food systems as a strategy for inclusive growth and assistance for subsistence farming communities, recognising the contribution of such farming to local communities;
25. Considers that rural development measures must complement the good agricultural practices supported under the first pillar and promote practices which contribute consistently to the objectives of the fight against climate change and the sound management of natural resources, such as the protection of biodiversity, water and soil;
26. Emphasises the importance of the second pillar, in view of its environmental, modernisation and structural improvement achievements; calls for second-pillar measures to be better suited to their objectives, so that the effectiveness of growth, employment and climate measures and measures for the benefit of rural areas can be increased;
27. Deplores the fact that the EU's biodiversity targets have yet to be met and expects the CAP to contribute to efforts to achieve these and the Nagoya biodiversity targets;
28. Calls on the new CAP to promote the conservation of genetic diversity, comply with Directive 98/58/EC on Animal Welfare and abstain from funding the production of food from cloned animals, offspring or their descendants;
29. Stresses the importance of exploring all possible opportunities for cooperation between the Member States, involving all stakeholders, for the purposes of soil protection;
30. Emphasises that there is a great need for innovation and that investment should be channelled towards the growth of economical and environmental performance; calls for more EU-funded and EU-coordinated projects in which farmers and

researchers can work together to find innovative methods throughout the food chain which will ensure a competitive and, at the same time, sustainable agricultural sector;

31. Stresses the importance of policies designed to encourage cross-border cooperation between Member States and third countries with a view to the adoption of practices to protect the environment and ensure the sustainability of natural resources in cases where farming activities, in particular the use of water, have cross-border implications;
32. Considers it possible to alleviate the climatic impact of agriculture through improved education and training for farmers in making better use of innovations resulting from research and development; urges that farmers be thoroughly prepared to meet energy challenges through the development of green energies such as biomass, biowaste, biogas, biofuels and small-scale wind, solar and hydroelectric energy generation, thereby creating new jobs;
33. Stresses the importance of control mechanisms for the purpose of ensuring that products are safe for people's health, which enable verification of traceability and safety and whether products banned in the EU have been used, with the same requirements applying both to Community products and products imported from third countries;
34. Considers that a simple and specific support scheme for small farms should replace the current regime in order to enhance their competitiveness and acknowledge their contribution to the vitality of rural areas and to environmental protection;
35. Wishes to highlight the special role played by organic farming, which studies have shown to make a significant contribution to climate protection as compared to conventional farming methods, and calls for organic farming to occupy a central place in the CAP in 2020;
36. Underlines the need to include resource efficiency considerations in the CAP through support for reprocessing of organic agricultural waste for soil fertilisation, as well as for the prevention of the dispersal of agricultural plastic waste;
37. Urges the Commission to further strengthen the current advisory system in order to help farmers with the implementation of the greening measures and with training in agro-ecological practices;
38. Underlines the importance of programmes to provide training for farmers to use more environmentally-sustainable farming methods and encourages the Commission to ensure that such programmes are financed by the second pillar of the new CAP;
39. Asserts that the insertion of cross-compliance into the CAP in past reforms is a useful tool to achieve sustainability and that CAP payments cannot be justified

without it, due to the demands of society for healthy food, farming and environment, but calls on the Commission to ensure the ecological effectiveness of cross-compliance, so that it becomes a baseline for sustainability;

40. Is convinced that the CAP reform must ensure a more effective regulation of the nutrient loads into water bodies and allow the rehabilitation of marine and coastal ecosystems; considers, therefore, that decreased water pollution from agricultural sources should be added as one of the objectives of the CAP in order to maintain healthy rivers, lakes, seas, and groundwater across Europe;
41. Considers that the CAP should undergo a general environmental assessment, through which the key issues which need to be changed in order to protect bodies of water could be determined, including the role of excess phosphorous triggering eutrophication and increased susceptibility to eutrophication in aquatic ecosystems such as the Baltic;
42. Advocates the effective implementation of the Water Framework Directive action plans, in order to achieve effective water management and watershed protection at local, territorial and regional level ; considers it useful to integrate the WFD into cross-compliance, and notes that this is consistent with the territorial approach to rural development advocated in the Commission communication;

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	12.4.2011
<b>Result of final vote</b>	+: 59 -: 0 0: 0
<b>Members present for the final vote</b>	János Áder, Elena Oana Antonescu, Kriton Arsenis, Sophie Auconie, Paolo Bartolozzi, Sergio Berlato, Milan Cabrnoch, Martin Callanan, Nessa Childers, Chris Davies, Esther de Lange, Anne Delvaux, Bas Eickhout, Elisabetta Gardini, Gerben-Jan Gerbrandy, Julie Girling, Françoise Grossetête, Cristina Gutiérrez-Cortines, Satu Hassi, Jolanta Emilia Hibner, Dan Jørgensen, Karin Kadenbach, Christa Kläß, Holger Kraemer, Jo Leinen, Corinne Lepage, Peter Liese, Linda McAvan, Radvilė Morkūnaitė-Mikulėnienė, Miroslav Ouzký, Gilles Pargneaux, Antonia Parvanova, Sirpa Pietikäinen, Mario Pirillo, Pavel Poc, Vittorio Prodi, Frédérique Ries, Oreste Rossi, Dagmar Roth-Behrendt, Daciana Octavia Sârbu, Horst Schnellhardt, Richard Seeber, Theodoros Skylakakis, Bogusław Sonik, Claudiu Ciprian Tănăsescu, Salvatore Tatarella, Åsa Westlund, Glenis Willmott, Sabine Wils
<b>Substitute(s) present for the final vote</b>	Margrete Auken, Tadeusz Cymański, Matthias Groote, Riikka Manner, Miroslav Mikolášik, Bart Staes, Marianne Thyssen, Michail Tremopoulos, Anna Záborská
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Ashley Fox

14.4.2011

## **OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY**

for the Committee on Agriculture

on the CAP towards 2020: Meeting the food, natural resources and territorial challenges of the future  
(2011/2051(INI))

Rapporteur: Jens Rohde

### **SUGGESTIONS**

The Committee on Industry, Research and Energy calls on the Committee on Agriculture and Rural Development, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Considers the global increase in demand for food and current price pressure, market fluctuations and volatility and ask for appropriate anti-cyclical measures in response to the strong market fluctuations; therefore notes that Europe needs a stronger, greener and more competitive agricultural sector in order to secure the long term supply of safe and high quality foods at affordable prices for all European consumers and in order to meet the future challenges in creating sustainable jobs and economic growth and securing the environment and climate while meeting the increased world wide demand for food;
2. Emphasizes that the agricultural, forestry and fisheries sector contributes with 355 billion euros to the EU economy and represents 8.6 percent of the total EU employment as the sector is not only providing foods, but also plays an important role as a source of non-mineral raw materials necessary for the functioning of many industries; notes that this is the first CAP reform in an EU of 27 Member States and that it is important, in order to encourage the continuance of agriculture in the various European countries and territories, whilst avoiding any attempt to renationalise what is a common policy; stresses that the new CAP must create a fair and balanced distribution among the

Member States;

3. Calls for a CAP that is coherent and supports the objectives of other EU policies, especially on forestry and agriculture, but also policies on renewable and green energy, biodiversity, industry, research, innovation and the Europe 2020 strategy; believes that targets for the use of sustainable energy should be included in the CAP;
4. Stresses the need to establish an appropriate level of funding commensurate with the new CAP objectives, or at least maintain current budget appropriations for the next programming period;
5. Recognizes the role of the agricultural sector in delivering environmental public goods; furthermore, believes there is a significant and unexploited potential of agriculture in the sectors of energy savings and energy efficiency as well as a renewable energy provider; therefore notes that the reform of the CAP should also be geared to unlocking the full potential of agriculture as a provider of environmental public goods and renewable energy; stresses the agricultural sector's role in reducing CO<sub>2</sub> emissions by producing next-generation biofuels that do not compete with food production and by absorption of CO<sub>2</sub> by cultivated crops/plants or directly by the soil;
6. In this regard notes that next-generation bio-technology is ready now and therefore urges the Commission to develop a cross-sectoral biomass policy for next-generation bio-technology including sustainability criteria for biomass as part of the reform of the CAP to enable the development of a sustainable market for biomass from agriculture, agro industrial enterprises and forestry by incentivising the collection of available residue for bioenergy production, whilst preventing an increase in emissions and a loss of biodiversity;
7. Believes that both the first and second pillar should contribute to achieving greener modes of production as they are of different scope and objective; therefore, under the second pillar, there is a need to create mechanisms stimulating the growth of energy efficiency (p.ex. thermal modernisation of buildings, replacement of the equipment for less energy intensive, heat recuperation or use of the solar energy) as well as the efforts which cannot be undertaken by the individual farmer and that would enable farmers to engage in a more effective and greener energy production and more sustainable production methods and to meet tomorrow's challenges: competitiveness, adaptation to markets, value creation, preservation of natural resources, adaptation to climate change etc.; calls for the Commission to prepare an industrial research platform within FP8 and enable increased participation by the agricultural industry in the research framework programmes that would include research and innovation of new techniques and methods, such as development of intelligent and highly productive crops, sustainable weeding methods and efficient separation of manure;
8. Stresses that under the second pillar the policy of rural development should

strengthen the measures for young farmers, modernisation and restructuring of farms, farmers in areas with special natural constraints and geographic handicaps and farmers that opt for a more sustainable agriculture and organic farming in order to create rural districts and quality agro food districts;

9. Stresses that rational European policies such as cheaper diesel for agricultural use, excise tax exemptions for power and fuel produced for agricultural purposes, particularly for electrically powered irrigation pumps, could help European farmers to produce more and supply both the domestic and export markets in agricultural products;
10. Suggests that the greening component should be designed in a way where farmers will be entitled to additional support if they provide environmental public goods that constitute added value for the EU and that are relevant in all Member States but for which they are not rewarded by the market such as green cover, crop rotation and establishment of no-spray zones; highlights the necessity of the greening component to provide flexibility and choice for the farmer to ensure its purpose as a business opportunity and incentive-tool;
11. Underlines that the greening component should be mandatory for Member States to implement; by making the greening component part of the first pillar, hence part of the direct payments constituting 25 to 30% hereof, it will be an EU-wide incentivisation scheme targeted at enhancing sustainability by providing farmers with real economic incentive for greener ways of production and compensate them for the higher production costs related to this;
12. In addition stresses that the CAP reform and in this regard the greening component must not lead to increased bureaucracy for European farmers; a simple and logic system is needed, and the control of the fulfilment of the greening component should therefore be included in the existing cross compliance control mechanisms; urges the Commission to incorporate simplification at the outset when it presents legislative proposals;
13. Stresses that the greening component must take the different needs, challenges and starting points of the Member States into account to ensure that all farmers will have equal opportunities of receiving the greening component; therefore already initiated greening elements should be allowed to be taken into account;
14. Underlines that the environmental initiatives in the first pillar should be European in nature, and complement the environmental measures in the second pillar, which focus on national, regional, and local priorities and specificities; believes that the greening component must be a part of the direct payments in the first pillar to link the delivery of environmental public goods to the direct payments in a simple and transparent manner that is equally implemented across Member States and to ensure that it incentivises farmers' environmental commitments so that the agricultural sector complies with the high EU environmental and energy standards; stresses that the green element in the first pillar should not limit the functioning of existing agricultural-environmental

instruments in the second pillar.

15. Stresses the importance of innovative irrigation systems to ensure the sustainability of European agriculture, given the devastating effects of climate change such as drought, heat waves and desertification on farmland intended to supply the populace with food;
16. Stresses that the CAP should be gender neutral and that both spouses should be provided with the same rights when working in the business; highlights the fact that about 42% of the 26.7 million people working regularly in agriculture in the European Union are women, but that only one holding in five (around 29%) is managed by a woman;
17. Stresses the need to develop efficient irrigation systems so as to ensure efficient agricultural methods in the Member States capable of covering domestic food demand and supplying the export market in agricultural products, bearing in mind that there will in future be a shortage of water and in particular drinking water;
18. Wishes a ceiling to be introduced for aid, based on the area of a holding, in the interests of social efficiency and in order to avoid counteracting schemes which assist the taking over of farms and start-ups by new farmers.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	12.4.2011
<b>Result of final vote</b>	+:           46 -:            0 0:            3
<b>Members present for the final vote</b>	Jean-Pierre Audy, Zigmantas Balčytis, Bendt Bendtsen, Jan Březina, Reinhard Bütikofer, Maria Da Graça Carvalho, Giles Chichester, Pilar del Castillo Vera, Christian Ehler, Ioan Enciu, Adam Gierek, Robert Goebbels, Fiona Hall, Jacky Hénin, Edit Herczog, Romana Jordan Cizelj, Krišjānis Kariņš, Lena Kolarska-Bobińska, Bogdan Kazimierz Marcinkiewicz, Judith A. Merkies, Angelika Niebler, Jaroslav Paška, Aldo Patriciello, Anni Podimata, Miloslav Ransdorf, Herbert Reul, Amalia Sartori, Francisco Sosa Wagner, Konrad Szymański, Patrizia Toia, Evžen Tošenovský, Ioannis A. Tsoukalas, Claude Turmes, Niki Tzavela, Alejo Vidal-Quadras
<b>Substitute(s) present for the final vote</b>	Antonio Cancian, António Fernando Correia De Campos, Francesco De Angelis, Ilda Figueiredo, Matthias Groote, Andrzej Grzyb, Satu Hassi, Yannick Jadot, Silvana Koch-Mehrin, Bernd Lange, Werner Langen, Mario Pirillo, Algirdas Saudargas, Catherine Trautmann

13.4.2011

## **OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT**

for the Committee on Agriculture and Rural Development

on the CAP towards 2020: meeting the food, natural resources and territorial challenges of the future  
(2011/2051(INI))

Rapporteur: Czesław Adam Siekierski

### **SUGGESTIONS**

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

1. Takes the view that, as a result of growing concerns about food security in the European Union and the world, globalisation and rising food prices, Europe and its regions need a new, strong CAP that will foster balanced and sustainable development and will also be market-oriented and improve competitiveness on the international market, while at the same time defending agriculture and climate protection in all regions of the EU and providing farmers with a decent income and also ensuring quality products and fair prices for consumers throughout the Union; considers that the policy should take account of public goods, biodiversity, soil conservation, sustainable, resource-efficient water and forest management and sustainable development based on education, knowledge and innovation; advocates a more sustainable, balanced, simple and efficient CAP that is better able to satisfy the needs and live up to the expectations of EU citizens and which ensures greater coordination and coherence between cohesion policy and the common agricultural policy, in particular through a common strategic framework for European Union funds;
2. Points out that simplification should be a key element of CAP reform, but without compromising the effectiveness of action; believes that this would make the CAP easier for farmers and the general public to understand; takes the view that the role of the two pillars should be clarified;

3. Considers it important to state that rural development measures must be understood in a comprehensive rather than a sector-based way, as embracing the economic, social and infrastructural improvement of rural areas;
4. Takes the view that support from the CAP and the policy's application to disadvantaged regions should continue to be matched to the specific characteristics of those territories, as recognised in the Treaties and enshrined in the current Community regulations;
5. Takes the view that cohesion policy, together with a new and powerful CAP, will release the economic potential of rural areas and generate secure jobs, guaranteeing the sustainable development of these areas;
6. Stresses that, in view of the new challenges facing the CAP and the need to achieve the objectives of the Europe 2020 strategy and implement the arrangements agreed in the accession negotiations with the new Member States, in the next multiannual financial framework the EU budget for the CAP needs to be maintained at a level which ensures that these tasks can be achieved;
7. Takes the view that the award of funding for rural development must be better coordinated with regional policy; calls for an integrated strategy for local services, markets and employment opportunities; calls, in this regard, for local players to be involved, for partnerships to be more intensively pursued and for multi-level governance to be strengthened; is convinced that this would also promote simplification and minimise administrative outlay;
8. Considers it essential, in order to ensure the sustainability of production systems, productive sectors and the territories most affected by structural disadvantages and/or market and policy developments, to allow a degree of flexibility in the application of direct payments by the Member States;
9. Shares the view that even beyond 2013 the common agricultural policy and the cohesion policy should remain key EU policies, including in budgetary terms;
10. Points out that municipal authorities with real powers at local level or supra-local level provide a guarantee of successful participation by local civil society, in keeping with the Leader approach; notes that, in all the EU Member States, local authorities are the first tier of the state with which citizens come into contact and calls, therefore, for rural development measures to include provision for strengthening the capacity of urban and rural municipalities and for the relevant regional bodies actively to shape development at the local and supra-local levels;
11. Considers that the direct payments scheme should be retained in order to continue to ensure, in a context of price volatility, regional competitiveness and, in view of areas which suffer from severe and permanent handicaps, in particular the viability of thinly populated areas, economic stability, employment support, decent and equitable farm incomes and the sustainable development of the EU farm sector, as well as EU food and environmental security and also its capacity

to respond to the challenges of climate change, thus ensuring that other policies and strategies, including the Europe 2020 strategy, may be properly implemented; considers, in this connection, that objective, transparent and simplified criteria need to be drawn up to ensure equity among Member States and farmers in relation to the provision of an appropriate, harmonised and balanced level of direct support under the direct payments scheme throughout the EU, moving away from the historical benchmarks used to date in the allocation of this funding and adapting it reasonably to meet farmers' needs; advocates the application of the principle of equity and flexibility in the implementation instruments, and also in relation to the various types of farms and the characteristic features of the areas in each Member State or region where farms are situated;

12. Believes that it is extremely important to minimise the distorting effects of direct payments on competition in the single market, not merely by decoupling direct payments from production volumes as far as possible, but also by aligning payment rates between individual EU regions and Member States, and particularly between areas with similar or identical types of production;
13. Takes the view that, bearing in mind its special nature linked to meeting basic needs, the CAP should take account of market regulation measures and a risk and crisis management mechanism, including insurance, that are capable of providing a safety net for agricultural producers and consumers; considers, further, that greater equity should be guaranteed in the distribution of value along the food chain, as well as equal treatment among European and non-European producers as regards the requirements imposed on agricultural products for consumption in the EU;
14. Deems it urgent, in view of the increasing feminisation of farming – it is estimated that three farms out of every 10 are run by women – and the inevitable move towards multi-purpose farms – their prime purpose is food production but they are also involved in land conservation, service production and training – to tackle loan facilities, income supplements and welfare on farms (care farms, farm crèches, etc.);
15. Welcomes the level of attention paid to specific regions and areas in which the social and environmental balance is inextricably linked to farming; believes it necessary, therefore, to retain and strengthen the instruments devoted to such regions;
16. Considers that the Member States should have the possibility to reduce direct payments in line with farm size or the level of payments received by a given farm, taking into account the benefits resulting from the scale of production;
17. Stresses the need to reassess the decision to abolish the milk quota system in March 2015, taking account of the specific situation in the milk and milk products sector;
18. Emphasises that goods traded between the EU and non-EU countries, particularly

food, should meet European quality requirements and standards; points out that the specific nature of agriculture, i.e. the fact that production depends on climate conditions, and also the recent events in the financial markets, highlight the need to improve the monitoring of agricultural markets, while in order to ensure their stability there needs to be the possibility of intervention in years of overproduction, particularly in the cereals market, which affects, among other things, the pork and poultry markets;

19. Considers that the CAP should take greater account of the potential, problems and needs of small family holdings and holdings in areas with particular characteristics and constraints, particularly the outermost regions.; takes the view that a special simplified scheme should be created for small farmers and stresses the need to diversify the incomes of such holdings and to develop entrepreneurial skills and create new jobs in rural areas; so as to both curb the depopulation of rural areas and raise the standard of living in those areas;
20. Draws attention to the demographic challenges that are particularly acute for rural areas; considers it important, in this regard, that demographic change should be managed and that rural areas should be more made more attractive to young people; stresses the need to safeguard access to innovative services and infrastructure in order to facilitate effective economic, social and cultural participation, and urges that rural areas be seen as integral to urban-rural relationships so that balanced development can be ensured;
21. Whereas rural development as a horizontal issue is an inevitable part of the CAP and whereas the new programmes should be geared even more strongly to the priority objectives of rural development (employment, the agricultural environment, water, climate change, innovation, including modernisation and restructuring of agriculture and education);
22. Calls on the Commission and Member States to improve the assistance and counselling services for local and regional farmers in order to help them better identify their priorities and evaluate their own farms' performances;
23. Calls for a strong, well-equipped second pillar of the Common Agricultural Policy that will reflect the current needs of rural development; emphasises the horizontal role of the second pillar, in view of its environmental, modernisation and structural improvement achievements for agriculture, balanced territorial development and attaining political objectives for inhabitants living in rural areas as well as farmers; calls therefore for second-pillar measures to be better suited to their objectives, so that the effectiveness of growth, employment and climate measures and measures for the benefit of rural areas can be increased; considers that, in this context, particular attention should be devoted to assisting young farmers;
24. Welcomes the contribution of the second pillar to exercising the partnership principle and calls on the Member States to pay greater attention to this principle and its wider application when introducing targeted measures under the second

pillar;

25. Stresses the importance of reducing the administrative burden and simplifying the interconnection of the administrative and implementing rules across the EU funds (e.g. VAT eligibility); calls for simplification and a review of the cross-compliance rules for the second pillar, considers simplification of the current indicator system to be necessary and takes a critical view of the introduction of quantitative targets;
26. Notes that the potential of regions and rural areas is not confined to the natural resources that enable them to play a social and economic role, given that such areas are first and foremost a place where the food required in order to ensure food security is produced and that they provide key raw materials for industry and renewable energy generation on a sustainable basis, as well as constituting a source of environmental, ecological, landscape and tourism assets and non-material assets, including traditions and cultural features such as culinary heritage in the form of regional products; calls for balanced territorial development of rural areas in all regions of the EU that will empower local inhabitants and help to improve local conditions and links between rural and urban areas; points out that farming is the cornerstone of the rural economy and that farmers play a leading role in ensuring the vitality of this economy and in rural land development; considers that promoting regional labels by means of the CAP, both at EU level and in third countries, would offer economic advantages at local and regional level;
27. Supports a broader view of rural areas, which, as providers of public goods and services, are, or can become, a good place to live and work for many EU citizens, and believes that, consequently, appropriate funding should be guaranteed for their development; points out that this also applies to less-favoured areas and mountain areas;
28. Considers that rural development measures should be consistent with and complementary to the support measures under the first pillar in order to foster varied, competitive and sustainable farming across the whole of the European Union; believes that rural development policy should support modernisation and structural improvements as well as innovation in the agricultural sector, in order to meet also the challenges posed by food security, the environment, climate change and employment;
29. Points out the fundamental need to attract two priority groups – women and young people – to rural activities and to offer them new, alternative economic activities with a view to curbing the depopulation of rural areas and ensuring a sustainable rural population;
30. Takes the view that rural development should promote innovation in farming, the diversification of socioeconomic activities, the creation of jobs and the rejuvenation of rural areas;

31. Points out that some countries still need support for catching up and that consequently the second pillar of the CAP should be kept sufficiently strong by maintaining the current criteria for allocating funds, which take into account the differences in development between countries and help to strengthen European integration; points out, too, that further expansion of the second pillar to include new challenges, including the objectives of the Europe 2020 strategy, will require the provision of appropriate support for rural areas under the cohesion policy, and appropriate coordination and distribution of tasks between the CAP and regional policy;
32. Notes that abrupt changes in the allocation of second-pillar funding should be avoided, as Member States expect continuity of financial planning and reliability; supports, therefore, the pragmatic approach of maintaining the current distribution criteria under the second pillar; points out, furthermore, that its 'greening' must be carried out in proportion to the development of rural areas;
33. Calls on the Commission to enhance synergies and coordination between the rural development actions under the EAFRD and cohesion actions under the ERDF, the Cohesion Fund and the ESF; is of the opinion that a comprehensive approach to the development of rural communities, in line with the territorial cohesion objective, could be guaranteed through clearer synergies among these funds;
34. Considers it necessary to adopt a strategy that will bring about a direct correlation between natural resources, the rural environment and food policy, going hand-in-hand with territorial cohesion policy, taking account of population growth and the frequent natural disasters resulting from climate change which heighten the food crisis;
35. Calls on the Commission and Member States to identify mechanisms aimed at facilitating access for agricultural producers to credit and insurance systems;
36. Stresses the need to improve coordination between the CAP and cohesion policy, including as regards strategy, by means of common guidelines on principles (along the lines of the solutions adopted for the cohesion policy) and uniform treatment of beneficiaries under the various funds, including as regards implementation;
37. Considers that efforts should be made to improve coordination between the CAP and the EU's finance, trade and climate and energy policies in order to ensure that the CAP is capable of meeting its objectives.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	12.4.2011
<b>Result of final vote</b>	+:           40 -:            1 0:            0
<b>Members present for the final vote</b>	François Alfonsi, Luís Paulo Alves, Catherine Bearder, Jean-Paul Besset, Victor Boştinaru, Alain Cadec, Tamás Deutsch, Elie Hoarau, Danuta Maria Hübner, Juozas Imbrasas, María Irigoyen Pérez, Seán Kelly, Evgeni Kirilov, Constanze Angela Krehl, Jacek Olgierd Kurski, Petru Constantin Luhan, Elżbieta Katarzyna Łukacijewska, Ramona Nicole Mănescu, Riikka Manner, Iosif Matula, Erminia Mazzoni, Miroslav Mikolášik, Lambert van Nistelrooij, Jan Olbrycht, Wojciech Michał Olejniczak, Markus Pieper, Monika Smolková, Georgios Stavrakakis, Nuno Teixeira, Oldřich Vlasák, Kerstin Westphal, Hermann Winkler, Joachim Zeller
<b>Substitute(s) present for the final vote</b>	Karima Delli, Richard Falbr, Marek Henryk Migalski, Elisabeth Schroedter, Czesław Adam Siekierski, Patrice Tirolien, Derek Vaughan, Sabine Verheyen

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	25.5.2011
<b>Result of final vote</b>	+:                40 -:                1 0:                 4
<b>Members present for the final vote</b>	John Stuart Agnew, Liam Aylward, José Bové, Luis Manuel Capoulas Santos, Vasilica Viorica Dăncilă, Michel Dantin, Paolo De Castro, Albert Deß, Diane Dodds, Herbert Dorfmann, Hynek Fajmon, Lorenzo Fontana, Iratxe García Pérez, Béla Glattfelder, Sergio Gutiérrez Prieto, Martin Häusling, Esther Herranz García, Peter Jahr, Elisabeth Jeggle, Jarosław Kalinowski, Elisabeth Köstinger, George Lyon, Gabriel Mato Adrover, Mairead McGuinness, Krisztina Morvai, Mariya Nedelcheva, James Nicholson, Rareş-Lucian Niculescu, Wojciech Michał Olejniczak, Georgios Papastamkos, Marit Paulsen, Britta Reimers, Ulrike Rodust, Alfreds Rubiks, Giancarlo Scottà, Czesław Adam Siekierski, Sergio Paolo Francesco Silvestris, Alyn Smith, Csaba Sándor Tabajdi, Marc Tarabella, Janusz Wojciechowski
<b>Substitute(s) present for the final vote</b>	Salvatore Caronna, Spyros Danellis, Jill Evans, Karin Kadenbach, Sandra Kalniete, Giovanni La Via, Véronique Mathieu, Maria do Céu Patrão Neves, Robert Sturdy, Artur Zasada