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*Plenary sitting*

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**A8-0178/2018**

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# **REPORT**

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

Committee on Agriculture and Rural Development

Rapporteur: Herbert Dorfmann

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

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

*The European Parliament,*

- having regard to the Commission communication of 29 November 2017 entitled ‘The Future of Food and Farming’ (COM(2017)0713),
- having regard to Articles 38 and 39 of the Treaty on the Functioning of the European Union (TFEU) establishing the common agricultural policy (CAP) and its objectives,
- having regard to Articles 40 and 42 TFEU establishing a common market organisation (CMO) in agricultural products and the extent to which rules on competition apply to production of and trade in agricultural products,
- having regard to Article 13 TFEU,
- having regard to Article 349 TFEU, which defines the statute of, and lays down the conditions of application of the Treaties to, the outermost regions,
- having regard to Regulation (EC) No 2017/2393 of 13 December 2017 amending Regulations (EU) No 1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), (EU) No 1306/2013 on the financing, management and monitoring of the common agricultural policy, (EU) No 1307/2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy, (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products and (EU) No 652/2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material<sup>1</sup> (‘omnibus regulation’),
- having regard to Council Directive 98/58/EC of 20 July 1998 concerning the protection of animals kept for farming purposes<sup>2</sup>,
- having regard to the Briefing Paper of the European Court of Auditors (ECA) on the Future of the CAP published on 19 March 2018,
- having regard to Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides<sup>3</sup> and to the Commission report of 10 October 2017 on Member State National Action Plans and on progress in the implementation of Directive 2009/128/EC on the sustainable use of pesticides (COM(2017)0587),
- having regard to its decision of 6 February 2018 setting up a special committee on the Union’s authorisation procedure for pesticides, its responsibilities, numerical strength

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<sup>1</sup> OJ L 350, 29.12.2017 p. 15.

<sup>2</sup> OJ L 221, 8.8.1998, p. 23.

<sup>3</sup> OJ L 309, 24.11.2009, p. 71.

and term of office<sup>1</sup>,

- having regard to the ECA Special reports Nos 16/2017 entitled ‘Rural Development Programming: less complexity and more focus on results needed’ and 21/2017 entitled ‘Greening: a more complex income support scheme, not yet environmentally effective’,
- having regard to the Commission reflexion paper of 28 June 2017 on the future of EU finances (COM(2017)0358),
- having regard to the Commission communication of 14 February 2018 entitled ‘A new, modern Multiannual Financial Framework for a European Union that delivers efficiently on its priorities post-2020’ (COM(2018)0098),
- having regard to the Cork 2.0 Declaration 2016, ‘A Better Life in Rural Areas’, issued at the European Conference on Rural Development,
- having regard to its resolution of 3 May 2018 on the current situation and future prospects for the sheep and goat sectors in the EU<sup>2</sup>,
- having regard to its resolution of 17 April 2018 on a European strategy for the promotion of protein crops – encouraging the production of protein and leguminous plants in the European agriculture sector<sup>3</sup>,
- having regard to its resolution of 14 March 2018 on the next MFF: Preparing the Parliament’s position on the MFF post-2020<sup>4</sup>,
- having regard to its resolution of 1 March 2018 on prospects and challenges for the EU apiculture sector<sup>5</sup>,
- having regard to its resolution of 27 April 2017 on the state of play of farmland concentration in the EU: how to facilitate the access to land for farmers<sup>6</sup>,
- having regard to its resolution of 4 April 2017 on women and their roles in rural areas<sup>7</sup>,
- having regard to its resolution of 14 December 2016 on CAP tools to reduce price volatility in agricultural markets<sup>8</sup>,
- having regard to its resolution of 27 October 2016 on how the CAP can improve job creation in rural areas<sup>9</sup>,
- having regard to its resolution of 7 June 2016 on enhancing innovation and economic

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<sup>1</sup> Texts adopted, P8\_TA(2018)0022.

<sup>2</sup> Texts adopted, P8\_TA(2018)0203.

<sup>3</sup> Texts adopted, P8\_TA(2018)0095.

<sup>4</sup> Texts adopted, P8\_TA(2018)0075.

<sup>5</sup> Texts adopted, P8\_TA(2018)0057.

<sup>6</sup> Texts adopted, P8\_TA(2017)0197.

<sup>7</sup> Texts adopted, P8\_TA(2017)0099.

<sup>8</sup> Texts adopted, P8\_TA(2016)0504.

<sup>9</sup> Texts adopted, P8\_TA(2016)0427.

- development in future European farm management<sup>1</sup>,
- having regard to its resolution of 7 July 2015 on prospects for the EU dairy sector – review of the implementation of the Dairy Package<sup>2</sup>,
  - having regard to the opinion of the European Economic and Social Committee on ‘A possible reshaping of the Common Agricultural Policy’<sup>3</sup>,
  - having regard to the opinion of the European Committee of the Regions entitled ‘The CAP after 2020’<sup>4</sup>,
  - having regard to the UN Sustainable Development Goals (SDGs), most of which are relevant to the CAP,
  - having regard to the report and conclusions from November 2016 of the Agricultural Markets Task Force entitled ‘Improving Market Outcomes – Enhancing the Position of Farmers in the Supply Chain’,
  - having regard to the Paris Agreement at the 2015 UN Climate Change Conference (COP21), and notably the commitments undertaken by the European Union as ‘nationally determined contributions’ (NDCs) in order to achieve the agreement’s worldwide goals,
  - having regard to the Commission report of 15 December 2016 on the implementation of the scheme of specific measures for agriculture in favour of the outermost regions of the Union (POSEI) (COM(2016)0797),
  - having regard to the Environmental Implementation Review (EIR) announced in 2016 (COM(2016)0316), which is a tool to help deliver the benefits of EU environmental law and policies for businesses and citizens through better implementation,
  - having regard to the letter from the Committee on Budgetary Control,
  - having regard to Rule 52 of its Rules of Procedure,
  - having regard to the report of the Committee on Agriculture and Rural Development, and to the opinions of the Committee on Development, the Committee on International Trade, the Committee on Budgets and the Committee on Environment, Public Health and Food Safety (A8-0178/2018),
- A. whereas the Commission communication on The Future of Food and Farming acknowledges that the common agricultural policy (CAP) is one of the oldest and most integrated policies in the EU and of global strategic importance, and should be designed to enable the EU farming and forestry sector to respond to justified citizens’ demands regarding not only food security, safety, quality and sustainability, but also environmental care, biodiversity and natural resources protection, climate change

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<sup>1</sup> Texts adopted, P8\_TA(2016)0252.

<sup>2</sup> OJ C 265, 11.8.2017, p. 7.

<sup>3</sup> OJ C 288, 31.8.2017, p. 10.

<sup>4</sup> OJ C 342, 12.10.2017, p. 10.

- action, rural development, health and high animal welfare standards, and employment;
- B. whereas the fact is that the CAP must now be reformed so that it more satisfactorily meets the needs both of those at whom it is primarily addressed – farmers – and of citizens as a whole;
  - C. whereas the CAP is of paramount importance across Europe for around 12 million agricultural holdings;
  - D. whereas farmland makes up 47 % of European territory and there are 22 million farmers and agricultural workers in the EU;
  - E. whereas the goals of the CAP should be to ensure food safety and sovereignty, and the resilience and sustainability of the EU's agricultural systems and territories;
  - F. whereas the EU's overarching objective of a multifunctional and diversified agriculture and forestry sector that creates jobs, is fair, is driven by sustainable agricultural practices and enables the preservation of viable small and family farms which can be acquired and handed down from generation to generation, remains key to delivering the positive externalities and public goods that European citizens demand (food and non-food products and services);
  - G. whereas it is vital to halt and reverse the current concentration of power in the hands of the large retail sector and big business;
  - H. whereas changes to the current CAP must be based on strategic aims to strengthen competitiveness and ensure sound and safe food;
  - I. whereas for more than 25 years the CAP has undergone regular reform dictated by the opening-up of European agriculture to international markets and by the emergence of new challenges in areas such as the environment and climate change; whereas another step is now necessary in this continuous process of adjustment in order to simplify, modernise and reorientate the CAP so that it secures farmers' incomes and more effectively meets the expectations of society as a whole, in particular as regards food quality and security, climate change, public health and employment, while ensuring policy certainty and financial security for the sector, in order to achieve sustainable rural areas, tackle food security and ensure that European climate and environmental targets are met, as well as to increase EU added value;
  - J. whereas although the Commission has entitled its communication on the ongoing reform of the CAP 'The Future of Food and Farming', it has given no guarantee that the CAP budget will be maintained, and whereas it is essential that this be addressed before the forthcoming legislative proposals are presented; whereas these must ensure that there is no renationalisation of the CAP, that the proper functioning of the single market is not impaired and that there is genuine simplification for beneficiaries, not only at EU level but also at Member State, regional, local and farm level, as well as flexibility and legal security for farmers and forest owners, while ensuring ambitious environmental goals and that the targets of the new CAP are fulfilled without adding new constraints on Member States and thus a new layer of complexity which would lead to delays in the implementation of national strategies;

- K. whereas a new delivery model should ensure a direct relationship between the EU and European farmers;
- L. whereas the CAP must play an important role in strengthening the long-term productivity and competitiveness of the sector and avoiding stagnation and volatility of farm incomes, which, despite the concentration and intensification of production and increasing productivity, are on average still lower than in the rest of the economy;
- M. whereas direct payments provide the first substantial layer of stability and a safety net for farm incomes, as they represent a tangible portion of annual farming incomes, and even as much as 100 % of farm revenues in certain regions; whereas these payments should be continued in order to help farmers compete on a level playing field with third countries;
- N. whereas new rural value chains in the bioeconomy can offer good growth and job potential for rural areas;
- O. whereas direct payments must be more targeted to farmers, as they are the people who contribute to the stability and the future of our rural regions and who face economic market risks;
- P. whereas over the last few years farmers have been confronted with increasing price volatility, which has reflected price fluctuations on global markets and uncertainty caused by macroeconomic developments, external policies such as trade, political and diplomatic issues, sanitary crises, excess quantities in certain European sectors, climate change and more frequent extreme weather events in the EU;
- Q. whereas specific tools for Mediterranean sectors should remain in Pillar I;
- R. whereas it is essential to provide flexible and responsive tools to help sensitive and strategic sectors cope with structural changes, such as the potential impacts of Brexit or of approved bilateral trade agreements with the EU's main partners;
- S. whereas sectoral strategies for fruits and vegetables, and wine and apiculture should remain compulsory for the producing countries, and the specificities of the related tools and rules should be retained;
- T. whereas it is essential to ensure a level playing field, fair prices and a fair standard of living for all farmers across regions and all EU Member States, thereby ensuring affordable prices for citizens and consumers and that there is agricultural activity in all parts of the Union including in areas with natural constraints; whereas it is essential to promote consumption of and access to high-quality food and healthy and sustainable diets, while delivering on the commitments for social and environmental sustainability, climate action, health, animal and plant health and welfare and the balanced development of rural areas;
- U. whereas water and agriculture are intrinsically linked, and the sustainable management of water in the agricultural sector is essential to guarantee good quality and sufficient food production and to ensure the preservation of water resources;

- V. whereas the CAP needs adequate tools to address the vulnerability of agriculture to climate change and at the same time to reduce the pressure on freshwater reserves exerted by the sector, which accounts for 50 % of freshwater use in the EU;
- W. whereas there is a need for an updated, simpler and fairer system of payments, for greater equity and legitimacy;
- X. whereas the current CAP lacks the necessary instruments to ensure decent incomes conducive to a dignified life for older farmers;
- Y. whereas there are no adequate instruments to encourage the transfer of businesses from the older generation of farmers to the younger generation;
- Z. whereas according to the ECA briefing paper from March 2018 on the future of the CAP, in 2010, for every 100 farm managers above 55, there were 14 farm managers below 35, a figure which fell to 10.8 farm managers in 2013; whereas the average age of EU farmers increased from 49.2 to 51.4 years over the period 2004 to 2013; whereas the smallest farms are most often those of older farmers;
- Aa. whereas increasing global trade presents both opportunities and challenges, relating among other things to the environment, climate change, water protection, lack of agricultural land and land degradation, and thus requires an adjustment of the rules of international trade so as to allow the establishment of a common level playing field based on high standards and fair and sustainable conditions for the exchange of goods and services, as well as renewed and efficient trade defence mechanisms, in accordance with existing EU social, economic, environmental, health, sanitary, phytosanitary and animal welfare standards;
- Ab. whereas these high standards need to be maintained and further promoted globally, particularly within the framework of the World Trade Organisation (WTO), preserving the interests of European producers and consumers by ensuring European standards in trade agreements for imports;
- Ac. whereas about 80 % of the required protein in the EU is imported from third countries and not nearly enough has been done so far to implement a protein strategy in the CAP;
- Ad. whereas, while the focus on research and development for both resource-saving product and process innovation is to be welcomed, more must be done to develop the research capacity and infrastructure necessary to translate the results of research into food and farming and sustainable agro-forestry practice, facilitated by adequate support, as well as to promote a multi-actor approach with farmers at its centre, supported by independent, transparent, sufficiently funded EU-wide agricultural extension services in all Member States and regions and by knowledge exchange and training services at Member State level;
- Ae. whereas direct investment support should be better targeted to the dual demands of economic and environmental performance and consider the needs of the farms themselves;
- Af. whereas the European Union has developed a series of space programmes (EGNOS and

Galileo) and earth observation programmes (Copernicus), whose potential for monitoring the implementation of the CAP and the transition of European agriculture towards precision farming and towards the dual environmental and economic performance of holdings should be exploited to its maximum;

- Ag. whereas most bio-technology research is now located outside the EU, where it typically focuses on agro-economic issues not relevant to the EU sector, resulting in potential losses in investment and focus;
- Ah. whereas based on recent experiences, taking advantage of and encouraging natural processes to boost yields and resilience is likely to lower production costs;
- Ai. whereas a competitive agriculture, food and forestry sector must continue to play a strong role in reaching the environmental care and climate objectives of the EU as set out in international agreements such as COP21 and the UN SDGs, with farmers being incentivised and remunerated for their contribution and assisted by a reduction in unnecessary regulatory and administrative burdens in the measures they undertake;
- Aj. whereas the extent of the global average surface temperature increase projected to take place in the 21st century and its immediate consequences for climatic conditions necessitate an environmentally sustainable food system which guarantees safe and plentiful production, while not leaving the Union beholden to other markets;
- Ak. whereas it is important that the future CAP is coherent with the SDGs, the Paris Agreement and EU policies, particularly in the areas of sustainability, the environment, climate, public health and food;
- Al. whereas agriculture is one the sectors of the economy expected to contribute to the 2030 objective of reducing greenhouse gas emissions by 30 % compared to 2005 levels under the Effort Sharing Regulation;
- Am. whereas small farmers account for about 40 % of EU farms, but receive only 8 % of CAP subsidies;
- An. whereas the 17 SDGs set new, clear objectives for the CAP post 2020;
- Ao. whereas the CAP has progressively integrated environmental objectives by ensuring that its rules are compatible with the environmental requirements laid down in EU legislation and that farmers comply with those requirements, and also promote sustainable farming practices that preserve the environment and biodiversity;
- Ap. whereas the consumption of saturated fats and red meat in the Union remains well above the recommended nutritional intake, and the food industry continues to make a substantial contribution to greenhouse gas and nitrogen emissions;
- Aq. whereas closed production circles – production, processing and packing being carried out in the same region – keep the added value in the region in question and thus secure more jobs in the local area, and therefore demonstrate the potential to revive rural areas;
- Ar. whereas the CAP pursues inseparable economic and environmental objectives, and this

twin-track approach must be preserved and even reinforced, in the context of the reform of Pillar I and the greening scheme, in favour of a transition towards a sustainable and efficient European agricultural model;

- As. whereas in the future CAP the European Union must strive for a significant limitation on the use of antibiotics in agriculture and in the food sector in order to strengthen sustainable farming;
- At. whereas increasing the long-term resilience and sustainability of the agricultural systems and territories will benefit the EU as a whole;
- Au. whereas the ECA has underlined the fact that, due to greening requirements which often do little more than reflect current practices, the green payments introduced as part of the 2013 reform create added complexity and bureaucracy, are difficult to understand, and in the ECA's view do not sufficiently enhance the CAP's environmental and climate performance due to their design, which points are important to bear in mind when designing the new green architecture for the CAP;
- Av. whereas the ECA has identified significant shortcomings in the implementation of Pillar II, in particular the long approval process, as well as the complex and bureaucratic nature of the rural development programmes;
- Aw. whereas the evidence-based 'Fitness Check' meta-assessment of scientific studies found that greening measures did not significantly improve environmental performance, largely because those requirements were already being met;
- Ax. whereas the objectives of the Cork 2.0 Declaration for a Better Life in Rural Areas concern vibrant rural areas, smart multi-functionality, biodiversity in and outside agriculture and forestry, rare animal breeds and conservation crops, as well as organic agriculture, support for less-favoured areas, and commitments in the context of Natura 2000; whereas the Declaration also highlights the importance of efforts to avert the depopulation of rural areas, and the role of women and young people in this process, as well as the need for better use of endogenous resources in rural areas through the implementation of integrated strategies and multi-sectoral approaches that strengthen the bottom-up approach and synergy between stakeholders, and which require investment in the viability of rural areas, preservation and better management of natural resources, climate action incentives, stimulation of knowledge and innovation, stepping-up of governance in rural areas, and simplification of rural development policy and its implementation;
- Ay. whereas less beneficial areas, such as regions in which there is strong competition between urban development and agriculture, should be taken into account by the CAP for their additional restrictions on access to land, in order to maintain agriculture in those areas;
- Az. whereas less-favoured areas, such as mountainous and outermost regions, should continue to be compensated by the CAP for the extra costs associated with their specific constraints in order to maintain farming activity in such areas;
- Ba. whereas the CAP should give due recognition to the great environmental benefits

- provided by certain sectors, such as the sheep and goat sectors or protein crops;
- Bb. whereas the beekeeping sector is vital for the EU and contributes significantly to society, both economically and environmentally;
- Bc. whereas it is essential to further strengthen the position of farmers in the food supply chain and to ensure fair competition within the single market using fair and transparent rules that take into account the specific nature of agriculture in relations between production and other parts of the food supply chain, both upstream and downstream, and to provide incentives to prevent risk and crises effectively, including active management tools that are able to better match supply with demand and can be deployed at sector level and by public authorities, as pointed out in the report of the Agricultural Markets Task Force; whereas aspects outside the scope of the CAP affecting the competitiveness and a level playing field for farmers must also be properly considered and monitored;
- Bd. whereas the new challenges regarding food security and autonomy for European agriculture within the EU's political priorities, as stated in the Commission's reflection paper on the future of EU finances, require the next multiannual financial framework (MFF) to increase or maintain the agricultural budget in constant euros to cover both existing and new challenges;
- Be. whereas as farmers are expected by society to change their practices to become fully sustainable, they should be supported in this transition with public funds;
- Bf. whereas any changes to the current CAP must be introduced in such a way as to ensure stability for the sector and legal certainty and security of planning for farmers and forest owners, by means of adequate transition periods and measures;
- Bg. whereas Parliament must play a comprehensive role in setting a clear policy framework to maintain common ambition at European level and democratic debate on the strategic issues which have an impact on the everyday lives of all citizens when it comes to the sustainable use of natural resources, including water, soil and air, the quality of our food, the financial stability of agricultural producers, food safety, health and the sustainable modernisation of agricultural and hygiene practices with the aim of establishing a societal contract at European level among producers and consumers;
- Bh. whereas there is a need for a recast CAP to deliver at the level of what is at stake, there is an imperative to give the co-legislators the means to fully exercise their mission within a regulated time frame, and there are the uncertainties related to Brexit;
- Bi. whereas the future of food security in Europe must be ensured for both the UK and the EU 27, with the utmost efforts being made to minimise disruption to production and access to food for both parties; whereas all efforts must be made to ensure unitary alignment in environmental and food safety standards so as to ensure that both UK and EU citizens face no reduction in food quality and food safety;
- Bj. whereas one of the six key priorities for rural development in the EU is the restoration, preservation and enhancement of ecosystems related to agriculture and forestry, including in Natura 2000 areas;

- Bk. whereas the EU is currently working on a protein strategy to promote self-sufficiency in protein crops;
- Bl. whereas acute food insecurity affected 124 million people in 51 countries in 2017, which is 16 million more than in 2016; whereas the majority of those affected by food insecurity live in rural areas;
- Bm. whereas equality between women and men is a core objective of the EU and its Member States; whereas many of the roles played by women in rural areas help to maintain viable farm businesses and rural communities; whereas efforts to avert rural depopulation are linked to the opportunities for women and young people; whereas rural women still face numerous challenges, while agricultural and rural development policies do not sufficiently include a gender dimension; whereas, although the gender of direct payment or rural development beneficiaries is not a reliable indicator of the impact of programmes, women as applicants or beneficiaries are under-represented;
- Bn. whereas, in order to justify the CAP budget to European taxpayers, future funding must be linked both to the production of safe and high-quality food and to a clear societal added value as regards sustainable agriculture, ambitious environmental and climate performance, public and animal health and welfare standards, and other societal impacts of the CAP, in order to create a genuine level playing field within and outside the EU;
- Bo. whereas the Special Eurobarometer study No 442 on the attitudes of Europeans towards animal welfare indicates that 82 % of European citizens believe that the welfare of farm animals should be improved;
- Bp. whereas the use of pesticides, the degradation of biodiversity and changes in the agricultural environment may have a negative impact on the quantity of pollinators and variety of pollinator species; whereas the challenges faced by pollinators, both domesticated and wild, are significant and the effect on EU agriculture and food security could be detrimental given the dependency of the majority of EU production on pollinating services; whereas a public consultation under the EU Pollinators Initiative was launched in January 2018 to identify the best approach and necessary steps to tackle the decline of pollinators in the EU;
- Bq. whereas there is a need to devise a specific measure within rural development – centred around the European Union’s eight principles of Integrated Pest Management (IPM) – in order to encourage a reduction in the use of serious pesticides and promote the uptake of non-chemical alternatives;
- Br. whereas less-favoured areas, such as mountainous and outermost regions, should continue to be compensated by the CAP for the extra costs associated with their specific constraints in order to maintain farming activity in such areas;
- Bs. whereas the application of the CAP framework in the outermost regions should fully explore the scope of Article 349 TFEU, since those areas are in a particularly disadvantaged position in terms of socio-economic development, with regard to aspects such as an ageing population and depopulation; whereas the POSEI is an effective tool intended for the development and strengthening of sector structuring which addresses the specific agricultural issues in the outermost regions; recalls that the Commission, in

its report of 15 December 2016 to Parliament and the Council on the implementation of the POSEI, concluded that ‘taking into account the assessment of the scheme, a modification of basic Regulation (EU) No 228/2013 is not deemed necessary’;

- Bt. whereas both forest management and agroforestry comprising an upper storey of woody vegetation over pasture or an agricultural crop, can contribute resilience at farm and landscape level and to required environmental and climate change mitigation actions, delivering forestry or agricultural products or other ecosystem services and thereby reinforcing the objectives of the CAP and allowing the circular and bio-economies to contribute to new business models benefiting farmers, foresters and rural areas; whereas the EU Forest Strategy promotes a coherent, holistic view of forest management and the multiple benefits of forests and addresses the whole forest value chain; stresses that the CAP plays a crucial role in its objectives, and pays special attention to the Mediterranean forests, which suffer more from climate change and fires, with biodiversity and potential agricultural production thus being put at risk;

### *A new relationship between the European Union, the Member States, regions and farmers*

1. Welcomes the intention to simplify and modernise the CAP for the economic benefit of farmers and to meet citizens’ expectations, but emphasises that the overriding priorities of reform must be the principles set out in the Treaty of Rome, the integrity of the single market and a truly common policy, adequately financed by the EU, that is modern and result-orientated, supports sustainable agriculture, and ensures safe, high-quality and varied food, employment and development in rural areas;
2. Notes the Commission communication on the Future of Food and Farming and welcomes the recognition that one of the CAP’s objectives shall be to enhance and ensure the sustainable management of natural resources and to contribute to the environmental and climate objectives of the EU;
3. Calls for a CAP that pursues as its top priority the transition of each European farm towards an undertaking that combines both economic and environmental performance standards;
4. Stresses the need for the CAP to maintain the essential relationship between EU legislators, farmers and citizens; rejects any possibility of renationalising the CAP, which would increase imbalances in competition within the single market;
5. Draws attention to the very important role played by small and medium-sized farms, a role which must be acknowledged and valued;
6. Points out that the flexibility that Member States currently enjoy regarding options set out in basic rules makes it possible to respond to specific situations but, at the same time, shows that parts of the CAP can no longer be considered as common; underlines the need to uphold the conditions of competition within the single market and to guarantee a level playing field as regards access to support for farmers in different Member States or in different regions, together with the need for adequate and efficient solutions to minimise any risk of distortion of competition or risks for cohesion;
7. Considers that Member States should enjoy a reasonable level of flexibility within a

strong common framework of EU rules, basic standards, intervention tools, controls and financial allocations agreed at EU level by the co-legislator, in order to guarantee a level playing field for farmers and, in particular, an EU approach for support under Pillar I, with a view to guaranteeing respect for the conditions of fair competition;

8. Considers that, in order to make the implementation of the CAP more effective and better adapted to the realities of the different kinds of agriculture in Europe, national choices taken within the framework of the EU-defined toolbox available under Pillars I and II should be streamlined and Member States should design, with the involvement of all relevant stakeholders, their own coherent, evidence-based national strategies on the basis of EU objectives and indicators concerning the main types of possible intervention tools, which should also be defined at EU level, and their selection criteria, within a clear common framework of rules applicable across the EU, with due respect for the rules and principles of the single market;
9. Emphasises that additional subsidiarity should only be granted on the condition that there is a strong, common set of EU rules, objectives, indicators and checks;
10. Underlines the risks of gold-plating at national and regional level and the great degree of uncertainty for farmers owing to the possibility that Member States have to independently define their national plans and to review their decisions annually, depending on the positions taken by the governments in charge; calls on the Commission, therefore, to present to the co-legislators, together with its legislative proposals, a clear and simple model of a national strategic plan in order to enable the co-legislators to assess the scope, the degree of detail and the content of such plans, which are essential elements of the Commission's forthcoming proposal, and to clarify the criteria against which these national strategies will be evaluated;
11. Calls on the Commission to provide tools designed to increase the use of synergies between CAP and cohesion policy funding;
12. Highlights the need for the future CAP to fully respect the distribution of powers within each Member State, often set out in their constitutions, particularly in terms of respecting the legal competences of the EU's regions, when designing, managing and implementing policies, such as the EAFRD; stresses the need to ensure that farmers and other beneficiaries are duly involved throughout all stages of policy development;
13. Welcomes the Commission's efforts to establish programme design, implementation and control of a results-based approach in order to foster performance rather than compliance, while ensuring adequate, risk-based monitoring via clearly defined, simpler, less bureaucratic (including by the prevention of gold-plating), solid, transparent and measurable indicators at EU level, including appropriate controls of Member State measures and programme design, implementation and sanctions; considers it necessary to introduce basic uniform criteria for the setting of similar penalties for equivalent non-compliances detected in the implementation of the various measures used by the Member States or regions to achieve the common general objectives set by the EU;
14. Stresses that a purely output-based approach would entail a risk for Member States, which, owing to their particular circumstances, might not be able to fully achieve all of

the results set out in their national plans, and which may be subject to ex-post reductions of their national envelopes and suspensions of financing;

15. Recognises that the new delivery model will require fine-tuning and amending over several years, so as to ensure that farmers are not penalised as a result of the change to an output-based model;
16. Notes, however, that a potential delay in the adoption of CAP strategic plans may lead to late payments, a scenario which must be avoided;
17. Notes that in Pillar I Member States can choose programmes from a priority catalogue established by the EU;
18. Calls for the development of a system of appropriate institutional and legal adjustments that would be conducive to changing the implementation model in order to prevent additional costs from being incurred and to prevent the absorption of funds in the Member States from being reduced;
19. Considers that the collection of information should rely on satellite images and integrated administration and control system databases rather than individual farmers' data submissions;
20. Calls on the Commission to develop relevant synergies between EU flagship programmes for space and the CAP, and especially with the Copernicus programme, which presents a specific interest for the farming community in terms of climate change and environment monitoring;
21. Calls for measures that increase the recycling of nutrients; calls for the agricultural structural policy to be aligned with the environmental support scheme, for example by better combining crop and livestock farming;
22. Requests that the simplified Small Farmers Scheme (SFS) be preserved;
23. Believes that farmers with less than five hectares of land should have the opportunity to voluntarily step into the SFS;
24. Calls on the Commission to carry out financial and performance control and audits with the aim of guaranteeing that functions are performed to the same high standards and in accordance with the same criteria across all Member States, irrespective of enhanced flexibility for Member States in programme design and management, and with a view, in particular, to ensuring a timely disbursement of funds across Member States to all eligible farmers and rural communities, while minimising the administrative burden for the beneficiaries;
25. Recalls that in the previous reform, the definition of an 'active farmer' was difficult to agree; considers, therefore, that farm output (e.g. keeping land in a good agricultural state, implementing good animal husbandry, contributing to the circular economy) could be a better-targeted and quantifiable solution for such a definition;
26. Considers that all actors involved in the process of controlling EU finances, including

the ECA, must have the same understanding of the performance-based control system, lest the Member States or beneficiaries be faced with unexpected financial corrections;

27. Stresses that farmers are entrepreneurs and as such should be granted the corresponding freedoms so that they can obtain fair market prices for their products;
28. Stresses that part-time farmers and farmers drawing on mixed income must not be excluded;
29. Welcomes the Commission's proposal to grant greater flexibility to Member States, regions and farmers within the framework of a higher financial threshold for agricultural *de minimis* rules, while preserving the integrity of the internal market;
30. Calls on the Commission, moreover, to provide Member States with greater flexibility within the framework of agricultural State aid rules in order to encourage farmers to set up voluntary precautionary savings with a view to coping better with the upsurge in climate-driven and health risks, as well as economic crises;
31. Calls however for the public goods provided by micro- and small farm enterprises, including their participation in co-operative and community endeavours, to be fairly rewarded;
32. Calls on the Member States to strive for better synergies between the CAP and other policies and funds such as the cohesion, structural and other investment funds, in order to create a multiplier effect for the rural areas;
33. Calls for better policy coordination between the CAP and other EU policies and actions – in particular with Directive 2000/60/EC, Directive 91/676/EEC and Regulation 1107/2009 – as a means to achieving the sustainable protection of water resources whose quantity and quality are negatively impacted by agriculture; calls for incentives to support local cooperation projects between farmers and water suppliers to enhance the protection of water resources;
34. Notes that numerous villages and regions, despite their rural nature, remain for administrative reasons outside the scope of rural development programmes in some Member States, which puts them at a disadvantage;
35. Calls on the Member States to consider more flexible approaches in order not to harm these regions and the producers therein;

***A smart, efficient, sustainable and fair CAP – delivering for farmers, citizens, rural areas and the environment***

36. Considers it necessary to maintain the current two-pillared architecture and emphasises that the pillars must be coherent and complementary, with Pillar I financed entirely through EU funding and constituting an efficient means of support for income, for baseline environmental measures and for the continuation of existing market measures, and Pillar II meeting the specific needs of the Member States; considers it necessary at the same time, however, to incentivise farmers and other beneficiaries to carry out actions that deliver environmental and social public goods which are not remunerated

by the market, and to respect both new and established practices in farming on the basis of common, uniform and objective criteria, while preserving the possibility for Member States to take specific approaches to reflect local and sectoral conditions; considers the transition of all European farms towards sustainability, and for all European farms to be fully integrated into the circular economy, combining economic with environmental performance standards and with no reduction in social or employment standards, to be a top priority;

37. Reminds the Commission that the objectives of the CAP laid down in Article 39 TFEU are to increase agricultural productivity, to ensure a fair standard of living for the agricultural community, to stabilise markets, to assure the availability of supplies and to ensure that supplies reach consumers at reasonable prices;
38. Underlines the potential of technological innovations for a smart and efficient sector which delivers on sustainability, particularly as regards the efficient use of resources, and the monitoring of crop and animal health and the environment;
39. Calls for the CAP to facilitate and support the application of such innovations;
40. Considers that the future CAP architecture can only deliver its objectives if sufficiently funded; calls, therefore, for the CAP budget to be increased or maintained in constant euros in the next MFF in order to achieve the ambitions of a revised and efficient CAP beyond 2020;
41. Considers that further market liberalisation and the reduction of protections for farmers that it entails would necessitate compensation for the agricultural sector and, in particular, for those farms facing competitive disadvantages – notably difficulties relating to agricultural land use or to their being located in mountainous areas – and that only such compensatory measures can ensure extensive agricultural land management and the preservation of the cultural landscape;
42. Stresses that the CAP budget should be adapted to future needs and challenges, such as those arising from the impacts of Brexit and free trade agreements adopted by the EU with its main trading partners;
43. Points to the persistent disparities in development between rural areas in different regions and Member States and therefore considers that cohesion criteria should continue to play an important role in the distribution of second-pillar funds between Member States;
44. Underlines the importance of allocating a strong budget to Pillar II (rural development policy), within the overall CAP budget;
45. Considers that farmers need to be supported in the transition to full sustainability;
46. Considers that the development of new EU policies and objectives must not be to the detriment of a successful CAP and its resources;
47. Acknowledges the current uncertainty which exists around the future CAP budget;

48. Emphasises that the resources of the CAP are taxpayers' money from each Member State and that taxpayers throughout the EU have the right to be reassured that these funds are exclusively used in a targeted and transparent manner;
49. Considers that new rural development lines which are not matched with extra funding should be avoided;
50. Believes that more targeted support is necessary for diverse agricultural systems, especially small and medium family farms and young farmers, in order to strengthen regional economies through a productive agricultural sector in economic, environmental and social terms; considers that this can be achieved through a compulsory redistributive higher support rate for the first hectares of a holding, linked to the average size of a holding in the Member States, in view of the wide range of farm sizes across the EU; stresses that support for larger farms should be degressive, reflecting economies of scale, with mandatory capping to be decided at European level, and flexible criteria to take into account the capacity of farms and co-operatives to provide stable employment that keeps people in rural territories; believes that the funds made available by capping and degression should be retained in the Member State or region from which they derive;
51. Believes that it is essential to ensure that support is targeted to genuine farmers, with a focus on those who are actively farming in order to earn their living;
52. Deems it necessary to maintain a simplified scheme for small producers so as to facilitate their access to and management of CAP direct payments;
53. Underlines the necessity of identifying the key elements of a well-balanced, transparent, simple and objective system of penalties and incentives, combined with a transparent and timely system for determining the eligibility of beneficiaries for receiving public money for the delivery of public goods, which should consist of simple, voluntary and mandatory measures and be results-oriented, thus shifting the emphasis from compliance to actual performance;
54. Stresses that part-time farmers and people running farms with an income mix– which enliven the countryside in so many ways – engage in farming in order to earn a living and are genuine farmers, as defined in the Commission communication;
55. Calls for the current system for calculating direct payments in Pillar I, particularly in Member States where the value of entitlements is still calculated partly on the basis of historic references, to be modernised and replaced by an EU payment calculation method, the basic component of which would be income support for farmers within certain limits and which could increase in step with the contribution to delivering public goods in accordance with the EU objectives and targets until 2030, in order to make the system simpler and more transparent;
56. Welcomes the simple, justified, transparent and easy-to-implement Single Area Payment Scheme (SAPS), which has been successfully applied in many Member States; calls, therefore, for the SAPS to be retained beyond 2020 and suggests that it be used in any Member State or by any farmer in the EU;

57. Emphasises that such a scheme would enable the administratively-complex system of payment entitlements to be replaced, resulting in a considerable reduction in red tape;
58. Believes, with a view to ensuring their effectiveness in the long term, that these new payments should not become tradable commodities;
59. Requests that the Commission examine the necessity of payment claims as regards compatibility with WTO rules;
60. Underlines the fact that the public funds of the current CAP, which are spent on farmers' actual activities, are subject to very precise and small-scale controls, while the larger amounts of the CAP budget (direct payments) are effectively spent on nothing other than an unscrutinised ownership of land and therefore cannot be justified to European citizens;
61. Considers that payments should also include a strong common conditionality including environmental deliverables and other public goods such as quality jobs;
62. Recalls that Parliament's resolution on the 'State of play of farmland concentration in the EU: how to facilitate the access to land for farmers' recognises that land payments without clear conditionality lead to distortions of the land market, and thus influences the concentration of more and more agricultural land in few hands;
63. Clarifies that public goods are those services which are above the statutory environmental, climate and animal welfare legislation, including in particular water conservation, biodiversity protection, soil fertility protection, protection of pollinators, the protection of the humus layer and animal welfare;
64. Stresses the need for a fair distribution of direct payments between Member States, which is essential for the functioning of the single market, and which must take into account objective criteria such as the amounts received by Member States under Pillars I and II and the fact that natural conditions, employment and socio-economic circumstances, general living standards, production costs, especially land costs, and purchasing power are not the same throughout the EU;
65. Stresses that an increased convergence of the amount of direct payments between Member States can only be achieved if the budget is adequately increased;
66. Stresses that direct payments are there to support farmers in food production and the protection of environmental and animal welfare standards;
67. Believes that, under the strict conditions that a level playing field in the single market can be guaranteed, that distortion of competition, especially with regard to commodities, is avoided, that consistency with WTO rules is ensured, and that the achievement of environmental and climate goals is not compromised, voluntary coupled support (VCS) payments should be maintained but only activated following an assessment by the Commission; believes that VCS serves as a tool to address the needs of sensitive sectors and specific objectives relating to the environment, climate or quality and the marketing of agricultural products, to incentivise farming practices meeting high animal welfare and environmental standards, to counteract specific

difficulties, particularly those arising from the structural competitive disadvantage of less-favoured and mountainous regions, as well as difficulties which are more temporary in nature and arise from a shift away from the old entitlement scheme, for example; believes, furthermore, that VCS is also a tool to promote strategically important production, such as protein crops, in the future, or to compensate for the effects of free trade agreements; stresses, in addition, that VCS payments are important for maintaining the EU's diversity of agricultural production, agricultural employment and sustainable production systems;

68. Recalls that ensuring generational renewal and new entrants is a challenge for farming in many Member States and that each national or regional strategy must therefore address this issue through a comprehensive approach, mobilising all financial resources of the CAP, including the additional payment for young farmers under Pillar I, and measures to help young farmers get set up under Pillar II, both of which should be made mandatory for the Member States, in addition to support from new financial instruments, such as a tool to grant access to capital in the context of limited resources; stresses, furthermore, the importance of national measures in removing regulatory and economic barriers while promoting succession planning, retirement packages and access to land, and facilitating and encouraging collaborative arrangements, such as partnerships, shared farming, contract rearing and leasing between old and young farmers; considers that State aid rules should also take into account the importance of generational renewal and prevent the demise of family farming;
69. Believes that the new legislation needs to make a more clear-cut distinction between the criteria forming the basis of incentives for 'young farmers' and for 'new entrants setting up in farming' (young farmers being defined according to their age, and new entrants according to the number of years since their farms were established) in order to boost the potential for the two groups to bring about generational renewal and improve life in rural areas;
70. Urges the Commission and the Member States to acknowledge that the new societal, technological and economic changes, such as clean energy, digitalisation, and smart solutions have impacts on rural life;
71. Calls on the Commission to support efforts to improve the quality of life in rural areas so as to encourage people – and especially young people – to remain or return to rural areas, and urges both the Commission and the Member States to support the development of new services by entrepreneurs, chiefly by women and young people;
72. Notes with concern that a lack of labour in several agricultural sectors is leading to the cessation of farming activities; calls for support to be provided in order to attract workers to agriculture;
73. Stresses the need to share the successful Member State models which bring together young and old farmers for generational renewal objectives;
74. Recommends that access to finance be improved through subsidised interest rates on loans for new entrants;
75. Recalls that rural areas and settlements require special attention and integrated efforts to

develop smart villages;

76. Calls for improved cooperation with the EIB and the European Investment Fund (EIF) in order to foster the creation of financial instruments dedicated to young farmers across all Member States;
77. Calls for a level playing field for special technological improvements for rural hubs and grids;
78. Underlines the importance of rural development, including the LEADER initiative, for improving the synergies between different policies and for enhancing competitiveness, for promoting effective and sustainable economies, for supporting sustainable and multi-functional agriculture and forestry, and for producing food and non-food goods and services, which generate added value and jobs; stresses the importance of rural development in promoting partnerships between farmers, local communities and civil society and in fostering additional entrepreneurial activities and opportunities, which very often cannot be relocated, in agribusiness, agri-tourism, direct marketing, community-supported agriculture, the bio-economy and the sustainable production of bioenergy and renewable energy, all of which help to ensure the preservation of economic activity in the regions; emphasises, therefore, the importance of bolstering Pillar II financially, thus increasing the potential to generate income, to help tackle depopulation, unemployment, poverty and to promote social inclusion, the provision of social services and the strengthening of the socioeconomic fabric in rural areas with the overall objective of improving the quality of life therein;
79. Calls on the Commission to introduce a multi-funded-investment approach in the post-2020 legislative period so as to ensure the smooth implementation of the integrated rural development tools, such as the smart villages initiative;
80. Calls for the creation of a new fund for community-led local development (CLLD), building upon the LEADER initiative and experience in the field, to be earmarked at 10 % in all structural funds for objectives set by local community-led strategies, with no demarcation between the structural funds, which should be deployed on a decentralised basis;
81. Stresses that rural development programmes should have added value for farms and retain their important role in facilitating long-term action regarding innovative practices and agri-environment measures;
82. Believes that additional attention should be paid within the LEADER initiative to the needs and projects of micro-scale family farms, over and above providing for the necessary financial assistance;
83. Believes that it has been proven that rural areas need women and men to engage in small- and medium-scale farming;
84. Stresses the importance of maintaining specific compensatory support for farms in less-favoured areas, according to the conditions set by the Member States in the light of their particular local circumstances;

85. Highlights, moreover, that the implementation of financial instruments in rural development should be done on a voluntary basis, while investments in rural areas should be strengthened;
86. Calls on the Commission to set up measures for the smart villages initiative to make smart villages a priority of the next rural development policy;
87. Believes that Pillar II financing for beekeeping should be better targeted and made more effective and that the new legislative framework should provide for a new Pillar I support scheme for beekeepers, including direct support per bee community;
88. Emphasises that measures less closely related to farming must be subject to a higher co-financing rate;
89. Calls on the Commission to introduce a new, coherent, reinforced and simplified conditionality regime in Pillar I, enabling the integration and the implementation of the different types of existing environmental actions, such as the current cross-compliance and greening measures; stresses that the baseline of Pillar I to achieve sustainable agricultural development should be mandatory and clearly stipulate the measures and results expected from farmers so as to ensure a level playing field, while ensuring minimum bureaucracy at farm level and, taking into account local conditions, adequate control by the Member States; calls, furthermore, for a new and simple scheme, which should be mandatory for Member States and optional for farms, based on EU rules which go beyond the baseline to incentivise farmers' transitioning to sustainable techniques and practices for climate and the environment and which are compatible with the agri-environment-climate measures (AECMs) in Pillar II; believes that the implementation of this scheme should be determined in the national strategic plans within an EU framework;
90. Calls on the Commission to ensure that Pillar II's AECMs for rural development continue to offset the additional costs and shortfalls associated with the voluntary establishment by farmers of environmentally and climate-friendly practices with the possibility of adding an incentive for investment in environmental protection, biodiversity and resource-efficiency; considers that these programmes should be simplified, better targeted and more efficient, so that farmers can deliver effectively on ambitious policy goals with regard to environmental protection, biodiversity, water management and climate action and climate change mitigation, while ensuring minimum bureaucracy at farm level and, taking into account local conditions, adequate control by Member States;
91. Calls, in addition to farms which engage solely in organic agricultural production in accordance with Article 11 of Regulation (EC) No 834/2007 and are exempt from the greening requirements laid down in Article 43 of Regulation (EU) No 1307/2013, for farms which carry out agri-environmental measures within the meaning of Regulation (EU) No 1305/2013 also to be exempt;
92. Emphasises that Mediterranean EU regions are more vulnerable to the impacts of climate change, such as drought, fires and desertification, and that farmers will therefore need to make greater efforts in these areas to adapt their activities to the changed environment;

93. Considers that the Commission's future legislative proposals should be able to support the largest number of farmers in their efforts to modernise towards more sustainable agricultural development;
94. Calls, in the interests of simplifying the CAP, for maintaining the existing exemption and not burdening the smallest farms under 15 hectares with additional environmental and climate measures under the CAP;
95. Proposes that this new form of greening should be accompanied by significant, coordinated and more efficient means in Pillar II through targeted tangible and intangible investments (knowledge transfer, training, advice, the exchange of know-how, networking and innovation through the European Innovation Partnerships (EIPs)) as another driver of change;
96. Calls on the Commission to ensure that its legislative proposals for CAP reform include suitable measures and instruments to integrate protein crop production into improved crop rotation systems, with the aim of overcoming the current protein deficit, increasing farmers' incomes and addressing the key challenges agriculture is facing, such as climate change, the loss of biodiversity and soil fertility and the protection and sustainable management of water resources;
97. Believes that a minimum amount of the total available budget in Pillar II should be allocated to AECMs, including organic agriculture, CO<sub>2</sub> sequestration, soil health, sustainable forestry management measures, nutrient management planning for the protection of biodiversity, and pollination and genetic diversity in animals and plants; emphasises, in this context, the importance of maintaining Natura 2000 payments and ensuring that they are sufficient to serve as a genuine incentive for farmers;
98. Stresses the need for payments under rural development to farmers in areas with natural constraints, difficult climatic conditions, steep slopes or limitations in terms of soil quality; calls for a simplification and improved targeting of the ANC plan after 2020;
99. Recalls that Parliament has already highlighted that the 'Fitness Check' on the Natura Directive stresses the need to improve coherence with the CAP, and highlights the worrying decline in species and habitats linked to agriculture; calls on the Commission to carry out an evaluation of the impact of the CAP on biodiversity; calls further for higher Natura 2000 payments to better incentivise the protection of agricultural Natura 2000 sites, which are in a very poor state;
100. Calls for climate-smart agriculture measures to be implemented and strengthened as the future impacts of climate change on agriculture in Europe will increase;
101. Considers that the risks associated with climate change and land degradation across the whole farmed landscape need to be managed in the CAP, by investing in making agro-ecosystems resilient and robust, and by investing in ecological infrastructure to build topsoils, to reverse soil erosion, to introduce and lengthen crop rotations, to add more trees to the landscape and boost on-farm biological and structural diversity;
102. Considers that the greater use of field residues as a renewable, efficient and sustainable source of energy for rural areas should be supported and promoted;

103. Calls on the Commission to foster innovation, research and modernisation in farming, agro-forestry and the food sector by supporting a strong advisory system and training that is better adapted to the needs of CAP beneficiaries in developing their practices towards greater sustainability and resource protection, and by supporting the application of smart technologies in order to respond more effectively to challenges in the areas of health, the environment and competitiveness; stresses that training and extension must be a pre-condition in programme design and implementation in all Member States and that it is essential to foster know-how transfer, best practice models and exchanges among cooperatives and producer organisations across the Members States, such as through the European agricultural knowledge and information system (AKIS); believes that agro-ecological methods, and the principles underpinning precision farming, can generate significant benefits for the environment, increase farmers' income, rationalise the use of agricultural machinery and significantly increase resource efficiency;
104. Highlights the important need for the CAP, Horizon 2020 and other supportive funding schemes to encourage farmers to invest in new technologies adapted to their farm size, such as precision and digital farming tools which improve the resilience and environmental impact of agriculture;
105. Calls on the Commission to stimulate the development and uptake of innovative technologies for all farm types, irrespective of their size and production, whether conventional or organic, livestock or arable, small or large scale;
106. Calls on the Commission to deliver a CAP that achieves more innovation, contributes to advances in the bio-economy and provides solutions for biodiversity, climate and the environment;
107. Calls on the Commission to focus on quality of life in rural areas, and to make it attractive for all people, especially for the younger generation;
108. Believes that the digitalisation and precision agriculture promoted in the CAP should not make farmers more dependent on either additional input or external funding, nor should it prevent their access to resources, but should be open-source and developed inclusively with the involvement of farmers;
109. Calls, without prejudice to a redefinition of the total amount of EU support for rural development, for the current rural development programmes, approved in accordance with Article 10(2) of Regulation (EU) 1305/2013, to continue to apply until 2024 or until a new reform is adopted;
110. Welcomes the Commission's commitment to promoting the concept of 'smart villages' in the EU, which will make it possible, through a more coordinated development of the different policies, to comprehensively address the insufficient broadband connections, job opportunities and service provision in rural areas;
111. Demands that action be taken to address the serious problem of farm accidents, which result in injuries and fatalities on EU farms, via measures in Pillar II to support investment in safety measures and training;
112. Calls, in the context of the development of an EU protein plant strategy, for a single

application of plant protection products over the period from before until shortly after sowing, to be authorised for all land down to protein plants;

113. Believes that investments in innovation, education and training are vital for the future of European agriculture;
114. Highlights that a results-based approach at Member State and regional level and innovative solutions provided by certification schemes should be further investigated in the framework of the future CAP, without adding bureaucracy and on-site controls;
115. Calls for the introduction of targeted modernisation and structural improvement measures under Pillar II, with a view to achieving priority objectives such as Digital Farming 4.0;
116. Urges the Commission and the Member States to safeguard and promote access to seeds and agricultural inputs for small-scale farmers and marginalised groups, and to promote and safeguard the exchange of seeds and their public ownership, along with sustainable traditional techniques that guarantee the human right to proper food and nutrition;
117. Urges the Commission and the Member States to place more emphasis on entrepreneur opportunities for services to and from villages;
118. Notes that each farm is different and that individual solutions are therefore needed;

***A strong position for farmers in the global food system***

119. Calls on the Commission to maintain the current single common market organisation (single CMO) framework within Pillar I, including the specific policy instruments and marketing standards, and to improve the EU school fruit, vegetables and milk scheme; stresses the importance of existing production management systems for specific products and maintaining compulsory individual sector programmes (wine, fruit and vegetables, olive oil and apiculture) for producing countries, with the ultimate aim of strengthening the sustainability and competitiveness of each sector and maintaining a level playing field while enabling access for all farmers;
120. Believes that the positive and ‘market-oriented’ experience of the single CMO operational programmes in the fruit and vegetable sector, implemented by producer organisations and financed on the basis of the value of marketed production (VMP), have proven their effectiveness in enhancing the competitiveness and structuring of the targeted sectors and improving their sustainability; calls, therefore, on the Commission to consider the introduction of similar operational programmes for other sectors; believes that this could be of particular benefit to producer organisations representing dairy farmers in mountain regions and outlying areas of the Union, who process and market high-quality products and maintain milk production in these hard-to-farm areas;
121. Recalls that unequal market power is a particular hindrance to cost-covering production in the dairy sector;
122. Draws attention to the possibility of introducing the Voluntary Milk Supply Reduction Scheme under the CMO;

123. Calls for the introduction of a new self-help management tool for olive oil, which would enable oil to be stored in years when there is a surfeit of production, and to be released on the market when production is below demand;
124. Insists on the critical need for the future CAP to support farmers more efficiently, fairly and promptly in order to cope with price and income volatility due to climate, adverse weather conditions, and sanitary and market risks, by creating additional incentives and market conditions stimulating the development and voluntary use of risk management and stabilisation tools (insurance schemes, income stabilisation tools, individual provision mechanisms and mutual funds) while ensuring accessibility for all farmers and compatibility with existing national schemes;
125. Calls for the provision of better support to increase leguminous plant production in the EU and for specific aids for extensive sheep and goat breeders, in the light of the benefits that these sectors bring to the environment and the need to reduce the EU's dependency on the import of proteins for feed;
126. Stresses that a future-oriented CAP should be designed to better address critical health issues, such as those related to antimicrobial resistance (AMR), air quality and healthier nutrition;
127. Underlines the challenges posed to animal and human health by AMR; believes that the new legal framework should actively promote higher animal health and welfare as a means to combat antibiotic resistance, thereby better protecting public health and the farming sector as a whole;
128. Draws attention to the fact that market risks can also be managed by improved market access for EU agriculture and food products in export markets;
129. Insists on the importance of strengthening the position of primary producers within the food supply chain, in particular by guaranteeing a fair distribution of the added value between producers, processors and the retail sector, by introducing the financial resources and incentives required to support the creation and development of economic organisations, both vertical and horizontal, such as producer organisations, including cooperatives, and their associations and inter-branch organisations, by establishing harmonised minimum standards to combat unfair and abusive trade practices along the food supply chain and by strengthening transparency in the markets and through crisis prevention tools;
130. Stresses that in accordance with the objectives of Article 39 TFEU and the exception referred to in Article 42 TFEU, the omnibus regulation has clarified the legal relationship between the provisions of the single CMO and EU competition rules and introduced new collective possibilities for farmers to enhance their bargaining power within the food supply chain; believes that these provisions are essential in the framework of the future CAP and should be improved further;
131. Considers that drawing on the lessons learnt from the functioning of the diverse EU Market Observatories (Milk, Meat, Sugar and Crops), such tools should be extended to the sectors that are not yet covered and developed further to offer reliable data and forecasts to market operators in order to deliver an early warning and enable prompt and

- pre-emptive actions in the case of market disturbances with a view to preventing crises;
132. Calls for enhanced support for and the promotion of local markets and short food supply chains; stresses the need to develop local services relating to short supply chains;
  133. Calls on the Commission to further clarify and update, where necessary, the rules for producer organisations and interbranch organisations, particularly as regards competition policy, including with a view to the measures and agreements of interbranch organisations, in order to meet societal demands;
  134. Stresses that the historical market management tools of the CAP (i.e. public intervention and private storage) have a reduced and insufficient effect in the context of globalised economies and that risk management tools are not always sufficient to cope with significant price volatility and severe market disturbances;
  135. Stresses the need, therefore, for the single CMO to continue to play an important role within the future CAP as a safety net in rapidly stabilising agricultural markets and in anticipating crises, and underlines the importance of the omnibus regulation in enabling and encouraging – drawing on the lessons learnt during the last market crises particularly in the dairy sector – the complementary use of innovative market and crisis management instruments, such as voluntary sector agreements, to manage and, where appropriate, reduce supply in quantitative terms among producers, producer organisations, associations of producer organisations, and interbranch organisations and processors (e.g. the EU Milk Production Reduction Scheme);
  136. Welcomes the work being carried out on a sustainable protein strategy for the EU;
  137. Notes the necessity of creating local and regional markets for leguminous crops across the EU, of improving environmental performance by growing crops in rotation, while also reducing the dependency on imported feed, fertilizer and pesticide inputs, and of increasing viability and economic incentives to change to more sustainable farming practices;
  138. Considers that supply management measures for cheeses and ham with protected designations of origin or protected geographical indications or for wine have proven their efficiency in improving the sustainability, competitiveness and quality of the targeted products and should therefore be maintained and, if appropriate, extended so as to cover all quality-labelled products in line with the objectives of the CAP;
  139. Calls for an in-depth review of the current crisis reserve mechanism in order to create a workable and independent EU fund for agricultural crises, which would be exempted from the principle of annuality of the budget, so as to permit budgetary transfers from one year to the next, especially when market prices are sufficiently high, while maintaining the crisis reserve at a constant level throughout the MFF period, thereby enabling quicker, more coherent and effective prevention actions and responses complementary to the use of market and risk management tools in the case of severe crisis situations, including those involving economic consequences for farmers due to animal health issues, plant diseases and food safety, but also those arising from external shocks with an impact on agriculture;

140. Believes that while trade agreements are beneficial for some EU agricultural sectors, and necessary to strengthen the Union's position on the global agricultural market and benefit the EU economy as a whole, they also pose a number of challenges, particularly for small and medium-scale farming and sensitive sectors that need to be taken into account, such as respect for EU sanitary, phytosanitary, animal welfare, environmental and social standards, which requires coherence between trade policy and certain objectives of the CAP and must not lead to the weakening of Europe's high standards or put at risk its rural territories;
141. Stresses that the application of different standards would increase the risk of exporting EU domestic production abroad, at the expense of rural development, the environment, and in certain instances food quality;
142. Underlines that the need for reinforced safeguard mechanisms should also enlighten the debates surrounding future trade deals (Mercosur, New Zealand, Australia, etc.) and their impact on agriculture in Europe;
143. Emphasises that, while it is important to continue to work for increased market access for European agricultural products, adequate measures for the protection of European agriculture, which take into account sector-specific concerns, are necessary, such as safeguarding mechanisms or the potential exclusion from negotiations of the most sensitive sectors and the application of the principle of reciprocity in production conditions, so as to ensure a level playing field between farmers in the EU and their foreign competitors; insists that European production must not be undermined by inferior and substandard imports;
144. Calls on the Commission to start seeing agriculture as a strategic activity, and to approach free trade agreements in such a way that agriculture is not regarded as the adjustment variable of the other sectors involved in trade and that key sectors such as raw milk production are protected;
145. Takes the view that the requirements of international trade and the WTO have had a very significant bearing on the series of revisions of the CAP which have been carried out since the 1990s; considers that these revisions have made European agricultural products and the European agri-food sector more competitive, but that they have also undermined large sections of the agricultural sector by exposing them to the instability of world markets; takes the view that it is now time, as the Commission communication on the Future of Farming and Food in Europe suggests, to focus more on other CAP objectives, such as farmers' living standards and matters concerning health, employment, the environment and climate;
146. Underlines that EU trade policy has to be coherent with other EU policies such as development and environmental policies and to support the achievement of the SDGs, and that it can contribute to the achievement of the objectives of the CAP, notably ensuring a fair standard of living for the agricultural community and that supplies reach consumers at reasonable prices; stresses that the EU agri-food sector should take advantage of the opportunities for growth offered by exports, given that an estimated 90 % of additional global demand for agri-food products over the next decade will come from outside Europe; emphasises that the CAP must meet the food-, environment- and climate-related needs of European society before focusing on production for sale on the

international agricultural market; stresses that so-called developing countries should have enough opportunities to establish and maintain a strong agri-food sector on their own;

147. Recalls the New European Consensus on Development, in which the EU and its Member States reaffirm their commitment to and recognise the paramount importance of effective observation of the principle of Policy Coherence for Development (PCD) established in Article 208 TFEU, which implies taking into account development cooperation objectives in all EU policies, including agricultural policy and funding, that are likely to affect developing countries in a negative way; considers, in this context, that CAP reform should respect the right of developing countries to shape their agricultural and food policies without weakening their food production capacities and long-term food security, in particular those of the least-developed countries;
148. Recalls the commitment of the EU and its Member States to the SDGs and underlines that coherence of the CAP with the SDGs is crucial, especially in the case of SDG 2 (zero hunger), 5 (gender equality), 12 (responsible consumption and production), 13 (climate action) and 15 (life on land), to which the future CAP must be aligned;
149. Calls, in accordance with the principle of budgetary efficiency, for coherence and better synergies between the CAP and all other EU policies and international commitments, particularly in the fields of energy, water supply, land use, biodiversity and ecosystems, and in the development of remote and mountainous areas;
150. Calls on the Commission to conduct a systematic impact assessment of the provisions regarding the agricultural sector in all trade agreements, and to offer specific strategies to ensure that no agricultural sector will suffer as a result of a trade agreement concluded with a third country;
151. Insists that processes and production methods (PPM) are an essential part of social, economic and environmental standards in global agricultural trade, and encourages the Commission to urge the WTO to acknowledge PPM as such;
152. Underlines that fulfilment of the goals of the Paris Agreement on climate change and meeting the SDGs must be one of the governing principles of any trade policy with regard to agricultural products; notes that the Commission in its reflection paper on harnessing globalisation rightly signals the demand for more fair trade and sustainable and local products as a changing trend in globalisation; stresses that EU trade policy can extensively contribute to achieving the SDGs and climate goals set in the Paris Agreement;
153. Recalls that the EU has eliminated export subsidies on its side and that there is no budget line left for export subsidies in the current EU budget; invites EU trading partners, in this regard, to make commitments to reducing trade-distorting domestic support; calls on the WTO members that continue to grant export subsidies to implement the Ministerial Decision on Export Competition adopted in Nairobi on 19 December 2015;
154. Demands that the Commission stay vigilant and step up the Union's defensive action towards resolving existing and future market access barriers in third countries, which

are increasing, while respecting the environment and human rights, including the right to food; underlines that the majority of those barriers affect agricultural products (27 % according to the Commission's Market Access Database), which in turn relate predominantly to sanitary and phytosanitary (SPS) market access measures;

155. Calls on the Commission to anticipate and take account of the implications of Brexit when preparing the exchange of offers and calculating quotas;
156. Calls on the Commission to launch clear and transparent initiatives to further reinforce the promotion of EU production, safety, animal welfare and environmental standards and short supply chains and to support quality food production schemes, which could be achieved inter alia through European origin labelling schemes, and marketing and promotion activities on internal and third-country markets for those sectors benefiting from specific policy instruments under the CAP; insists on the need to reduce red tape and unnecessary conditions to allow smaller producers to partake in these schemes; welcomes the steady increase in the budget available for promotional programmes and urges the Commission to maintain the pace of increase in the appropriations in the light of the growing interest from producers;
157. Stresses the importance of short local and regional supply chains, which are more environmentally sustainable – since they cause less pollution because they require less transport – and mean products are fresher and easier to trace;
158. Recalls the importance of empowering local farmers to move up the value chain by providing them with help and support on organic and value-added products and with new knowledge and technologies, as achieving sustainability requires direct action to conserve, protect and enhance natural resources;
159. Points out that producing locally supports the local food culture and local economies;
160. Emphasises that the focus in the future of farming should be on producing high-quality food, as that is where Europe's competitive advantage lies; stresses that EU standards must be maintained and strengthened where feasible; calls for measures to further increase the long-term productivity and competitiveness of the food production sector, and to introduce new technologies and a more efficient use of resources, thereby strengthening the EU's role as a world leader;
161. Considers it unacceptable that there are quality differences between food products which are advertised and distributed in the single market under the same brand and with the same packaging; welcomes the Commission's incentives to address the issue of dual food quality in the single market, including its work on common testing methodology;
162. Welcomes the progress achieved in promoting the EU's agricultural interests in recent bilateral trade negotiations, notably as regards market access for high-quality EU agri-food products and the protection of geographical indications in third countries; trusts that this trend can be continued and improved upon;

#### ***A transparent decision-making process for a solid CAP proposal 2021-2028***

163. Stresses that Parliament and the Council should, via the co-decision procedure, set the

general common objectives, basic standards, measures and financial allocations, and determine the appropriate level of flexibility needed to enable the Member States and their regions to cope with their specificities and needs in line with the single market so as to avoid distortions of competition deriving from national choices;

164. Regrets the fact that the whole process of the CAP post-2020 programming exercise – consultation, communication, impact assessment and legislative proposals – is repeatedly starting with a significant delay as the end of the eighth legislature approaches, which risks debate on the future CAP being overshadowed by election debates and jeopardises the possibility of a final agreement being reached before the European elections;
165. Calls on the Commission to introduce a transitional regulation which, in the event of a delay in the adoption of the CAP, enables farmers to continue to have access to rural development programme measures, particularly environment and investment measures;
166. Calls on the Member States to ensure, when implementing the new reform, that there are no delays in disbursing payments to farmers and to take responsibility and properly compensate farmers should such delays occur;
167. Emphasises, however, that as much progress must be made before the end of the current term as possible and this issue must be highlighted during campaigning for the European Parliament elections;
168. Acknowledges the relevance of involving institutions and experts responsible for health and environmental policies affecting biodiversity, climate change, air, soil and water pollution in the CAP decision-making process;
169. Calls on the Commission to propose, before the introduction of substantial changes in the design and/or implementation of the CAP, a transitional period long enough to ensure a soft landing and time for Member States to properly implement the new policy in an orderly manner so as to avoid any delay in farmers' annual payments and in the implementation of rural development measures;
170. Calls for the EU and its Member States to reinforce dialogue with developing countries and provide their expertise and financial support to promote ecologically sustainable agriculture based on small-scale and family farming, targeting women and young people in particular, a commitment made in the 2017 African Union-EU Summit Joint Declaration entitled 'Investing in Youth for Accelerated Inclusive Growth and Sustainable Development'; recalls the contribution of women in rural areas as entrepreneurs and promoters of sustainable development; stresses the need to develop their potential in sustainable agriculture and their resilience in rural areas;
171. Recalls that hunger and malnutrition in developing countries are largely related to a lack of purchasing power and/or the inability of the rural poor to be self-sufficient; urges the EU, therefore, to actively help developing countries to overcome impediments (such as poor infrastructure and poor logistics) to their own agricultural production;
172. Points out that more than half the population of the least developed countries will still be living in rural areas in 2050 and that the development of sustainable agriculture in

developing countries will help to unlock the potential of their rural communities, maintain rural populations and reduce underemployment, poverty and food insecurity, which in turn will help to tackle the root causes of forced migration;

173. Recognises the critical role that space technologies, such as those developed in EU space and satellite programmes managed by the European Global Navigation Satellite Systems Agency (Galileo, EGNOS and Copernicus), can play in the attainment of the UN's SDGs by providing affordable solutions to facilitate the move towards precision agriculture, thereby eliminating waste, saving time, reducing fatigue and optimising the use of equipment;
174. Calls on the Commission to explore space science technologies and applications and the Global Partnership for Effective Development Co-operation as mechanisms to assist in the monitoring of crops, livestock, forestry, fisheries and aquaculture, support farmers, fisherfolk, foresters and policymakers in their efforts to employ diverse methods of achieving sustainable food production, and respond to related challenges;
175. Calls on the Commission to ensure that the Member States, in their action plans, guarantee equality between women and men in rural areas; urges the Commission and the Member States to support equal representation of women in the institutions' structures for dialogue with the sector and also in the decision-making bodies of the sector's professional organisations, cooperatives and associations; considers that the new EU legislation should substantially improve the thematic sub-programmes for women in rural areas;
176. Stresses that the Commission should continue to ensure the strict enforcement of EU animal welfare legislation at all times in all Member States equally, with proper control and sanctions; calls on the Commission to monitor and report on animal health and welfare, including animal transport; recalls that products entering the EU must respect European animal welfare, environmental and social standards; calls for financial incentives for the voluntary adoption of animal welfare measures going beyond minimum legislative standards;
177. Calls on the Commission to implement and enforce the relevant EU law, in particular Council Directive 1/2005/EC of 22 December 2004 on the protection of animals during transport; considers it necessary, in this context, to comply with the judgment of the Court of Justice of the EU in which it ruled that protection of animal welfare does not cease at the EU's external borders and that the transporters of animals being exported from the European Union must therefore comply with EU animal welfare rules, including outside the EU;
178. Insists that special consideration should be granted to farmers who face extra costs owing to specific constraints linked to high value natural areas such as mountainous areas, islands, outermost regions, and other less favoured areas; believes that owing to their specific constraints, CAP financing is vitally important for these regions and that any reduction would have a very damaging impact on many agricultural products; urges the Member States to develop and implement quality schemes in order to give the producers interested the opportunity to introduce them swiftly;
179. Considers that the budget of POSEI should be maintained at sufficient levels to face the

challenges of agriculture in the outermost regions, as called for several times by Parliament; welcomes the results of the most recent Commission report on the POSEI implementation and considers that programmes for outermost regions and for the smaller Aegean islands should be kept separate from the general EU direct payments scheme, in order to ensure balanced territorial development by preventing the risk of abandonment of production as a result of challenges related to remoteness, insularity, small size, difficult topography and climate, and economic dependence on a small number of products;

180. Calls on the Commission to include in the Milk Market Observatory an autonomous section to study prices in the outermost regions, in order to react promptly to a crisis in the sector; believes that the definition of ‘crisis’ and subsequent intervention of the Commission should be adapted to the outermost regions, taking into consideration the size of the market, dependence on a limited number of economic activities and less capacity for diversification;
181. Calls for better integration of the ‘circular economy’ to ensure the best and most efficient use of primary material and by-products in the emerging bio-economy while respecting the limits of availability of biomass and land and other ecosystem services, and believes that the development of bio-based industry in rural areas might provide new business models that could help farmers and forest owners to find new markets for their products and create new jobs; calls on the Commission and the Member States, therefore, to provide the necessary support to the agricultural and forestry sector with a view to making a greater contribution to the further development of the bioeconomy in the EU; underlines the need to promote agroforestry, which can provide multipurpose, recreational and productive ecosystems and microclimates, and to close the gaps that could hamper its development;
182. Believes that AECM support, complemented by eco-schemes at Member State level, should cover the costs for farmers of transitioning to new sustainable practices, such as through promotion and support for agroforestry and other sustainable forestry measures that support biodiversity and genetic diversity in animal and plant species, and of adapting to changing climatic conditions;
183. Calls on the Commission to guarantee innovation, research and modernisation in agroforestry and forestry by supporting a strong and tailored advisory system, targeted training and tailored solutions to drive innovation and the exchange of know-how and best practices among Member States, with a general focus on relevant new technologies and digitalisation; underlines, at the same time, the crucial role of forest owner associations in information and innovation transfer, training and further education for small-scale forest owners and in the implementation of active multifunctional forest management;
184. Instructs its President to forward this resolution to the Council and the Commission.

## EXPLANATORY STATEMENT

On 29 November 2017 the Commission adopted its Communication on modernising and simplifying the Common Agricultural Policy (CAP) under the title '*The Future of Food and Farming*'. (COM(2017)713final).

This Communication has already been announced by President Juncker in 2016, it is included in the Commission Work Programme 2017 and was originally foreseen for spring 2017. The 26 pages of text kick-off the multi-stage process by which the 27 EU's Institutions eventually have to agree on the legislation determining the CAP post-2020. The Communication thus aims to provide both basis and framework of the discussion between institutional and individual, public and private stakeholders across the EU27.

It will be followed by legislative proposals as legal basis for the next programming period 2020-2027 and accompanied by an Impact Assessment comprising the relevant evidence-base. The proposals will be published after the adoption of the Multi-annual Financial Framework (MFF) which is foreseen for May 2018.

The *original purpose* of the Communication is to

- present the main EU agricultural challenges (food explicitly not mentioned);
- highlight the contribution of the agriculture sector to the ten Commission's priorities and to the Sustainable Development Goals (SDG) in synergy with other EU policies;
- specify policy priorities for the future CAP enhancing its EU added value;
- explore operational proposals for a simpler CAP, improved governance, better reflection of the diversity in EU agriculture, increased subsidiarity, limiting administrative burden for beneficiaries and strengthening the focus on results.

The Communication also sets out three *key objectives* for agriculture in contrast to the original Treaty-based objectives:

1. Fostering a smart and resilient agricultural sector;
2. Bolstering environmental care and climate action;
3. Strengthening the socio-economic fabric of rural areas.

A first step in the *CAP post-2020 programming process* was a broad on-line *public consultation* which received in excess of 320,000 online responses from all EU Member States with the vast majority submitted by individuals as well as over 1400 position papers.

The second step is the elaboration of the comprehensive *Impact Assessment* (IA) aiming to draw lessons from the implementation of the 2013-2020 programming period and specifically the aims for a "greener, simpler, fairer" CAP. Consequently, while reflecting broad ideas of the ongoing public debate, the IA will develop a set of *policy options* for development including an assessment how the policy objectives can best be met, including:

- Option 1 (baseline) will assess the impact of the CAP remaining as it currently stands, including the recently adopted Omnibus proposal.
- Option 2 will assess the impact of a "no CAP" scenario to test the consequences of the absence of policy intervention with respect to the economic, environmental and social EU-added value of the CAP.
- Option 3 sees Member States/regions programming CAP operations against EU priorities based on identified needs. The focus shifts to risk management, investments

- in restructuring and business development in agriculture and rural SMEs, climate and environment services and access to innovation, knowledge and ICT.
- Option 4 redefines the division of tasks between EU-, MS- and farm-level to enhance the income safety-net with better synergies between direct support including area payments and risk management, to better target climate and environmental action, and to simplify and modernise controls towards performance-based outcomes.
- Option 5 envisages strong redistribution of direct support towards small and environmentally friendly farms, and promotes short circuits.

**The evidence base** of the Communication and the IA is the following:

- DG AGRIs own Common Evaluation and Monitoring Framework (CEMF) for measuring CAP performance based on Member states indicators;
- EU-wide targets and indicators agreed for monitoring the SDGs (Communication “European Action for Sustainability” COM (2016) 739 final);
- EU27 Member states annual implementation reports will provide data on progress towards targets and corresponding budget envelopes;
- DG AGRI regular evaluation studies on CAP general 2013 objectives and input for the Outlook conference in late 2017;

From the wider European context, the main driver of CAP reform is the budget issue: The CAP continues to be the largest single spending item in the EU budget, accounting for around 38% of the total expenditure. In the next MFF, the EU needs to address significant new challenges, such as migration, security and growth while the UKs departure will reduce the available budget yet there is great reluctance among Member States to increase the overall size of the budget (1% GNI).

For **public and private stakeholders** the key issues raised in the Communication are therefore:

- National Strategy - design, adoption and implementation: Notably Governance structure (legal aspect such as relationship regions-central state, transparency and citizen participation), internal coherence (consistency with rural development programmes and sector plans), external coherence (e.g. European Structural and Investment Funds);
- Delivery model - output-orientated and performance-based funding programs: Control and audit (EU and national competencies), indicators (availability and definition, quality control, penalties), management models (simplified cost options), equal approach across Member states (eligibility, mandatory/voluntary, controls);
- Environmental and climate action - integrated approach to compensating environmental services by merging current CAP greening, cross compliance and good agriculture practice as well as rural development measures to allow for compensation of public goods including climate action and human and animal and plant health and welfare;
- Financial allocation - EU-support programmes: Transition models for reduced/targeted funding, differentiation between Member states (external convergence) based on objective criteria (see ESIF), co-funding by regions / Member states, entitlements reflecting socio-economic conditions within Members states regions (internal convergence);

Regarding the **forward perspective**, it is relevant to recall that the last CAP programming 2013-2020 exercise took two years from the initial publication of the Commission proposals

(June 2011) as part of the Multiannual Financial Framework (MFF) proposal 2014-2020 to political agreement (June 2013) and the final legislative approval (in December 2013) which necessitated transitional measures across sectors (until 2015). However, this did neither coincide with the end of the Commissions mandate nor the EPs legislative period.

27.4.2018

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

for the Committee on Agriculture and Rural Development

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

Rapporteur for opinion: Maria Noichl

### **SUGGESTIONS**

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

1. Highlights that acute food insecurity affected 124 million people in 51 countries in 2017, which is 16 million more than in 2016, and that the majority of those affected by food insecurity live in rural areas;
2. Recalls that the EU is the largest exporter and importer of agricultural products and therefore plays a crucial role on world agricultural markets; notes that the EU is the main trading partner for developing countries when it comes to agricultural products;
3. Recalls the New European Consensus on Development in which the EU and its Member States reaffirm their commitment to and recognise the paramount importance of effective observation of the principle of Policy Coherence for Development (PCD) established in Article 208 of the Treaty on the Functioning of the European Union (TFEU), which implies taking into account development cooperation objectives in all EU policies, including agricultural policy and funding, that are likely to affect developing countries in a negative way; considers, in this context, that the common agricultural policy (CAP) reform should respect the right of developing countries to shape their agricultural and food policies without weakening their food production capacities and long-term food security, in particular those of the least-developed countries;
4. Recalls the commitment of the EU and its Member States to the Sustainable Development Goals (SDGs) and underlines that coherence of the CAP with the SDGs is crucial, especially in the case of SDG 2 (zero hunger), 5 (gender equality), 12 (responsible consumption and production), 13 (climate action) and 15 (life on land), to

which the future CAP must be aligned;

5. Recognises that the CAP is far from perfect and that it must be more pro-development, preventing distortions both in Europe and on international agricultural markets and favouring a transition towards more sustainable agriculture and resilient agricultural practices, which help to protect ecosystems and natural resources and reinforce their capacity to adapt to climate change, extreme weather patterns, drought, floods and other disasters and which progressively improve the quality of the soil, in line with the second SDG;
6. Recalls that agriculture that fails to protect and improve rural livelihoods, equity and social well-being is unsustainable; calls for the EU to develop fair and environmentally sustainable food production schemes, incentivise responsible consumption and promote sustainable dietary patterns in all policies likely to affect developing countries;
7. Stresses that the CAP reform should contribute to the construction of a new European food system in line with the transformative nature of the 2030 Agenda for Sustainable Development and the Paris Agreement; believes that a paradigm shift from a ‘green revolution’ to an ‘agro-ecological approach’ is required to this end, in line with the conclusions of the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD) and the recommendations of the UN Special Rapporteur on the right to food, which implies recognition of the multifunctionality of agriculture and a rapid shift from monoculture cropping based on the intensive use of chemical inputs towards a diversified and sustainable agriculture based on agro-ecological farming practices, strengthening local food systems and small-scale farming and supporting traditional types of organisation;
8. Urges the EU and its Member States to implement the commitment made in the European Consensus for Development to supporting agroecology, including through the agriculture investment window of the External Investment Plan;
9. Calls for the EU and its Member States to reinforce dialogue with developing countries and provide their expertise and financial support to promote ecologically sustainable agriculture based on small-scale and family farming, targeting women and young people in particular, a commitment made in the 2017 African Union-EU Summit Joint Declaration entitled ‘Investing in Youth for Accelerated Inclusive Growth and Sustainable Development’; recalls the contribution of women in rural areas as entrepreneurs and promoters of sustainable development; stresses the need to develop their potential in sustainable agriculture and their resilience in rural areas;
10. Calls, while recalling the original CAP objectives as set out in Article 39 TFEU, for another chapter in the CAP post-2020 legislation regarding its responsibility in development policy issues, to include better integration of environmental objectives and the SDGs, since the ban on export subsidies means that economic distortions persist, enabling the EU agricultural sector to export agricultural commodities below average production costs;
11. Calls on the Commission to conduct ex-ante and ex-post impact assessments of the CAP’s external effects systematically with the help of SDG indicators, and to develop a methodological framework for monitoring and evaluating the CAP’s effects on the

agricultural production sector in developing countries and on the affordability and availability of food; suggests that this data be used for an alert mechanism that would signal negative effects of the CAP on the livelihoods of small-scale farmers, in particular women farmers, in developing countries;

12. Stresses that the CAP must respect the ‘do no harm’ principle and be coherent with other EU policies and international obligations in the field of development, but also with the protection of human rights, the environment, the climate, animal rights and nature; notes, in addition, that it is inefficient in terms of EU budget spending to generate negative externalities and then to cover the costs these externalities generate;
13. Considers it necessary, in accordance with the 2030 Agenda policies and the SDGs, to recognise the geographical imbalances in trade relations and competition in the farming sector between developing countries and the EU and to promote a more balanced relationship with trading partners;
14. Calls for the EU to ensure that the future CAP will overcome the problems related to the current export-oriented agricultural model by enhancing the EU’s internal markets and short food supply chains in a sustainable manner so as not to undermine countries’ development while ensuring resilience to external shocks and threats;
15. Notes that EU exports and imports of agri-food products are based on trade agreements; stresses that these agreements should ensure a level playing field between farmers in the EU and the rest of the world, with preferences given to developing countries;
16. Urges the Member States to put an end to the goal of an ever more intensified European agriculture and to cease overproduction in the livestock sector through the obligatory introduction of an area-based livestock farming system; notes with concern that EU dependence on imported animal feed, particularly soy, has contributed to the growing demand for land abroad, leading to deforestation, biodiversity loss, displacement of communities and increased intoxication as a result of the cultivation of pesticide-intensive genetically modified soy in South America; urges the Member States, therefore, to reduce and progressively phase out their imports of protein crops from third countries such as Argentina and Brazil;
17. Calls, in addition, for crop rotation with leguminous plants on all applicable arable land and for the implementation of an EU-wide protein strategy aimed at decreasing import dependency on soy from third countries; calls, in the meantime, for the introduction of sustainability criteria for imports of vegetable protein;
18. Recalls the importance of empowering local farmers to move up the value chain by providing them with help and support on organic and value-added products and with new knowledge and technologies, as achieving sustainability requires direct action to conserve, protect and enhance natural resources;
19. Calls for a shift away from indirect and untargeted subsidies such as area payments; asks for subsidies to be disbursed only if they contribute to public goods such as local jobs, biological diversity, animal welfare, clean air and water, and healthy, living soils;
20. Recalls in this context the market-distorting effects of the reintroduction of coupled

support in the CAP 2014-2020; recalls that the abolition of milk quotas in 2015, with the expectation of new market outlets for European agricultural products in developing countries, has aggravated overproduction, resulting in lower prices and affecting the development of the dairy sector in both Europe and developing countries;

21. Reiterates its view that the distribution of payments is unbalanced; is of the opinion that larger farms do not necessarily need the same degree of support for stabilising farm incomes as smaller or lower income farms in times of income volatility, since they may benefit from economies of scale which are likely to make them more resilient;
22. Recalls that hunger and malnutrition in developing countries are largely related to a lack of purchasing power and/or the inability of the rural poor to be self-sufficient; urges the EU, therefore, to actively help developing countries to overcome impediments (such as poor infrastructure and poor logistics) to their own agricultural production;
23. Calls for the EU and its Member States to strengthen developing countries' domestic food production, as advocated in the SDGs, rather than increasing EU agricultural exports to developing countries; urges the EU to encourage developing countries to increase and diversify their food production to satisfy domestic food demand and the growing demand of the South-South market, as EU agricultural policy alone is not responsible for feeding a growing world population; stresses, for that reason, the importance of fighting land grabbing in developing countries;
24. Calls for the EU to respond to developing countries' calls to protect their food production and their population from the potentially destructive effects of cheap imports;
25. Points out that more than half the population of the least developed countries will still be living in rural areas in 2050 and that the development of sustainable agriculture in developing countries will help to unlock the potential of their rural communities, maintain rural populations and reduce underemployment, poverty and food insecurity, which in turn will help to tackle the root causes of forced migration;
26. Welcomes the Commission proposal to create employment opportunities and revenue-generating activities in regions of origin and transit of migrants through CAP-supported projects; calls on the Commission to implement EU-African Union exchange programmes through cooperation and dialogue on agri-food production and agricultural innovation;
27. Recognises the critical role that space technologies, such as those developed in EU space and satellite programmes managed by the European Global Navigation Satellite Systems Agency (Galileo, EGNOS and Copernicus), can play in the attainment of the UN's SDGs by providing affordable solutions to facilitate the move towards precision agriculture, thereby eliminating waste, saving time, reducing fatigue and optimising the use of equipment;
28. Calls on the Commission to explore space science technologies and applications and the Global Partnership for Effective Development Co-operation as mechanisms to assist in the monitoring of crops, livestock, forestry, fisheries and aquaculture, support farmers, fisherfolk, foresters and policymakers in their efforts to employ diverse methods of

achieving sustainable food production, and respond to related challenges;

29. Underlines that more generally, agricultural trade must contribute, on a partnership basis, to reducing global inequalities and bringing more inclusive social benefits for all trade partners in the future, while staying within the ecological limits of our planet.

## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	24.4.2018
<b>Result of final vote</b>	+: 15 -: 0 0: 7
<b>Members present for the final vote</b>	Ignazio Corrao, Mireille D'Ornano, Nirj Deva, Doru-Claudian Frunzuliță, Enrique Guerrero Salom, Maria Heubuch, Teresa Jiménez-Becerril Barrio, Arne Lietz, Linda McAvan, Norbert Neuser, Vincent Peillon, Cristian Dan Preda, Lola Sánchez Caldentey, Elly Schlein, Eleni Theodorou, Paavo Väyrynen, Bogdan Brunon Wentă, Anna Záborská, Joachim Zeller, Željka Zovko
<b>Substitutes under Rule 200(2) present for the final vote</b>	Pál Csáky, Monika Vana

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

15	+
ALDE	Paavo Väyrynen
ECR	Eleni Theoharous
EFDD	Ignazio Corrao, Mireille D'Ornano
GUE/NGL	Lola Sánchez Caldentey
PPE	Joachim Zeller
S&D	Doru-Claudian Frunzuliță, Enrique Guerrero Salom, Arne Lietz, Linda McAvan, Norbert Neuser, Vincent Peillon, Elly Schlein
VERTS/ALE	Maria Heubuch, Monika Vana

0	-

7	0
ECR	Nirj Deva
PPE	Pál Csáky, Teresa Jiménez-Becerril Barrio, Cristian Dan Preda, Bogdan Brunon Wenta, Anna Záborská, Željana Zovko

**Key to symbols:**

+ : in favour

- : against

0 : abstention

18.4.2018

## OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE

for the Committee on Agriculture and Rural Development

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

Rapporteur for opinion: Seán Kelly

### SUGGESTIONS

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

- A. whereas the Commission study of December 2016 entitled ‘Impacts of EU trade agreements on the agricultural sector’ shows that EU agreements with Mexico, South Korea and Switzerland have increased EU agri-food exports by more than EUR 1 billion and value added in the agri-food sector by EUR 600 million; whereas since the application of the EU free trade agreement with Peru and Columbia (March 2013 and August 2013 respectively), EU exports of agricultural products to both countries have increased considerably (by 73 % to Peru and by 82 % to Colombia);
- B. whereas the EU has been the single largest exporter of agri-food products since 2013 and has run an export surplus since 2010; whereas EU agri-food exports to third countries have been increasing, reaching a record value of EUR 137.9 billion in 2017; whereas the EU is also the largest importer of agricultural products from developing countries;
  1. Underlines that EU trade policy has to be coherent with other EU policies such as development and environmental policies and to support the achievement of the Sustainable Development Goals (SDGs), and that it can contribute to the achievement of the objectives of the common agricultural policy (CAP), notably ensuring a fair standard of living for the agricultural community and that supplies reach consumers at reasonable prices; stresses that the EU agri-food sector should take advantage of the opportunities for growth offered by exports, given that an estimated 90 % of additional global demand for agri-food products over the next decade will come from outside Europe; emphasises that the CAP must meet the food-, environment- and climate-related needs of European society before focusing on production for sale on the

international agricultural market; stresses that so-called developing countries should have enough opportunities to establish and maintain a strong agri-food sector on their own;

2. Takes the view that the requirements of international trade and the WTO have had a very significant bearing on the series of revisions of the CAP which have been carried out since the 1990s; considers that these revisions have made European agricultural products and the European agri-food sector more competitive, but that they have also undermined large sections of the agricultural sector by exposing them to the instability of world markets; takes the view that it is now time, as the Commission Communication on the Future of Farming and Food in Europe suggests, to focus more on other CAP objectives, such as farmers' living standards and matters concerning health, employment, the environment and climate;
3. Affirms that EU trade and agriculture policies are closely intertwined and will remain so in the future, that the former must not take precedence over the latter and that maintaining and developing sustainable agriculture has to be a priority; points out that this link highlights the important role of agriculture in the context of negotiations both bilaterally for EU free trade agreements and multilaterally at the World Trade Organisation (WTO), on issues such as market access for agricultural products, domestic support, export subsidies, the protection of geographical indications, sanitary and phytosanitary (SPS) rules, prudent use of antimicrobial medicines in order to reduce the proliferation of antimicrobial resistance, and the simplification of import procedures, as well as ensuring that agricultural products imported into the internal market are produced in compliance with EU labour and environmental standards, the precautionary principle, rules on animal welfare and other safety standards;
4. Insists that processes and production methods (PPM) are an essential part of social, economic and environmental standards in global agricultural trade, and encourages the Commission to urge the World Trade Organisation (WTO) to acknowledge PPM as such;
5. Underlines that fulfilment of the goals of the Paris agreement on climate change and meeting the SDGs must be one of the governing principles of any trade policy with regard to agricultural products; notes that the Commission in its reflection paper on harnessing globalisation rightly signals the demand for more fair trade and sustainable and local products as a changing trend in globalisation; stresses that EU trade policy can extensively contribute to achieving the SDGs and climate goals set in the Paris Agreement;
6. Believes that while trade agreements may benefit mostly large agricultural businesses in the EU and abroad, they can also have serious negative socio-economic impacts on small- and medium-scale farming in the EU and in third countries;
7. Welcomes the progress achieved in promoting the EU's agricultural interests in recent bilateral trade negotiations, notably as regards market access for high quality EU agri-food products and the protection of geographical indications in third countries; trusts that this trend can be continued and improved upon;
8. Calls on the Commission, in the context of ongoing and future bilateral trade

negotiations with third countries, to guarantee a global level playing field and to approach with the utmost care the liberalisation of market access with regard both to third countries and to the EU in sensitive agricultural sectors, by considering at first hand transition periods, tariff-rate quotas, appropriate safeguarding measures that take into account social, environmental and economic effects in the EU, as well as in countries to which we export, the possible exclusion of the most sensitive products from the scope of agreements after case-by-case consideration, and compliance with reciprocity rules regarding third countries' own sensitive agricultural sectors; notes that this may concern different products, depending on the trading partner in question; stresses that the maximum cumulative amounts of the agricultural concessions granted by the EU in the context of all its international undertakings must be taken into account for sensitive products and for each sector;

9. Reiterates the importance of incorporating into trade agreements effective safeguard clauses which can quickly be implemented in order temporarily to suspend preferences in the event of market disruption which penalises sensitive sectors;
10. Highlights therefore the principle of qualified market access, meaning that imported goods should comply with EU standards;
11. Further considers that goods produced in connection with deforestation, land or resource grabbing and human rights abuses should not be granted access into the EU market;
12. Regrets the lack of progress on domestic support in agriculture at the 11th WTO Ministerial Conference; welcomes nevertheless the EU's joint declaration with the Cairns Group before the conference and calls on the Commission to continue the cooperation on domestic support; reiterates that any future EU position on this topic must not take precedence over discussions on the future and the revision of the CAP and must duly respect the framework of the reformed CAP; emphasises, against this background, that it is essential that international trade rules should not reduce the scope for providing European agriculture with domestic support intended to prevent and manage market crises, to shift farming practices towards production systems which are economically effective and environment- and climate-friendly, and to better safeguard strategic supplies of vegetable proteins, so that at long last the development of the circular economy can be fostered; notes that strong environmental and social standards would further increase the quality of public goods delivered by this policy to Europeans;
13. Recalls that the EU has eliminated export subsidies on its side and that there is no budget line left for export subsidies in the current EU budget; invites EU trading partners, in this regard, to make commitments to reducing trade-distorting domestic support; calls on the WTO members that continue to grant export subsidies to implement the Ministerial Decision on Export Competition adopted in Nairobi on 19 December 2015;
14. Demands that the Commission stay vigilant and step up the Union's defensive action towards resolving existing and future market access barriers in third countries, which are increasing, while respecting the environment and human rights, including the right to food; underlines that the majority of those barriers affect agricultural products (27 % according to the Commission's Market Access Database), which in turn relate

predominantly to SPS market access measures;

15. Calls on the Commission to anticipate and take account of the implications of Brexit when preparing the exchange of offers and calculating quotas.

## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	24.4.2018
<b>Result of final vote</b>	+: 32 -: 0 0: 3
<b>Members present for the final vote</b>	William (The Earl of) Dartmouth, Laima Liucija Andrikienė, Tiziana Beghin, David Campbell Bannerman, Daniel Caspary, Salvatore Cicu, Santiago Fisas Aixelà, Karoline Graswander-Hainz, Nadja Hirsch, Yannick Jadot, France Jamet, Jude Kirton-Darling, Bernd Lange, David Martin, Emma McClarkin, Anne-Marie Mineur, Sorin Moisă, Artis Pabriks, Franck Proust, Godelieve Quisthoudt-Rowohl, Viviane Reding, Tokia Saïfi, Helmut Scholz, Joachim Schuster, Joachim Starbatty, Adam Szejnfeld, Iuliu Winkler, Jan Zahradil
<b>Substitutes present for the final vote</b>	Eric Andrieu, Goffredo Maria Bettini, Reimer Böge, Klaus Buchner, Dita Charanzová, Agnes Jongerius, Frédérique Ries

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

<b>32</b>	<b>+</b>
ALDE	Dita Charanzová, Nadja Hirsch, Frédérique Ries
ECR	David Campbell Bannerman, Emma McClarkin, Joachim Starbatty, Jan Zahradil
EFDD	Tiziana Beghin, William (The Earl of) Dartmouth
PPE	Laima Liucija Andrikienė, Reimer Böge, Daniel Caspary, Salvatore Cicu, Santiago Fisas Ayxelà, Sorin Moisă, Artis Pabriks, Franck Proust, Godelieve Quisthoudt-Rowohl, Viviane Reding, Tokia Saïfi, Adam Szejnfeld, Iuliu Winkler
S&D	Eric Andrieu, Goffredo Maria Bettini, Karoline Graswander-Hainz, Agnes Jongerius, Jude Kirton-Darling, Bernd Lange, David Martin, Joachim Schuster
VERTS/ALE	Klaus Buchner, Yannick Jadot

<b>0</b>	<b>-</b>

<b>3</b>	<b>0</b>
ENF	France Jamet
GUE/NGL	Anne-Marie Mineur, Helmut Scholz

**Key to symbols:**

+ : in favour

- : against

0 : abstention

25.4.2018

## OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Agriculture and Rural Development

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

Rapporteur for opinion: Nedzhmi Ali

### SUGGESTIONS

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

- A. whereas the common agricultural policy (CAP) is one of the most integrated policies in the Union, and has fulfilled one of its original objectives of increasing food supply, by supporting European farmers and responding to citizens' demands regarding food security and safety, and quality and sustainability; whereas there are new challenges ahead, linked in particular to climate change and loss of biodiversity; whereas it is important that the CAP is aligned with the Paris Agreement and other international agreements which protect the climate and the environment;
- B. whereas it is necessary to ensure support for genuine farmers while continuing to support beneficiaries who have diversified production streams and incomes, after decades of policy signals that have recommended they do so, and to give priority to small farms and reward them for the diverse public goods they deliver to society, while ensuring a fair distribution of support between farms of different sizes; whereas it is important to strengthen regional economies and to support modernised, sustainable agriculture in the EU which performs economically, environmentally and socially, in order to promote diverse agricultural systems, especially family farms; whereas it is essential to secure agricultural production in all parts of the EU, including in areas of natural constraints, and to ensure a fair standard of living across regions and Member States;
- C. whereas there is a gap between income in the agricultural sector and other sectors of the economy, with agricultural income being highly volatile; whereas there is a risk of land being abandoned in areas of natural constraints; whereas there should be adequate investment in farm restructuring, modernisation, innovation, diversification and the uptake of new technologies;

- D. whereas according to the European Court of Auditors briefing paper from March 2018 on the future of the CAP, in 2010, for every 100 farm managers above 55, there were 14 farm managers below 35, a figure which fell to 10.8 farm managers in 2013; whereas the average age of EU farmers increased from 49.2 to 51.4 years over the period 2004 to 2013; whereas the smallest farms are most often those of older farmers;
- E. whereas in the light of the excessive administrative burden of the control and audit system, and the overlaps between pillars I and II, it is important to simplify the CAP, to reduce its overall administrative burden, to improve its value for money and to make it transparent, without compromising on its ambitious policy objectives; whereas cutting red tape should improve the greening results and provide more effective help to all farmers in adapting their farming systems to meet environmental and climate challenges;
- F. whereas as outlined in the Commission communication on the future of food and farming, the future CAP will set the basic policy parameters, and the Member States, whether at national or regional level, will need to demonstrate greater responsibility as to how they meet the objectives, in order to maintain a level playing field, prevent distortion in the market and achieve the goals set at EU level; whereas the future CAP delivery model should be results-driven as regards resource efficiency, environmental protection and climate action;
1. Emphasises that the CAP should remain a common EU policy, and can only deliver its objectives if sufficiently funded; calls, therefore, for the CAP budget to be maintained at at least its current level for the EU-27 at constant prices in the next MFF post 2020, in order to achieve the ambitions of a revised and efficient CAP;
  2. Highlights that the CAP should support the sustainable development of agriculture, which is crucial for providing safe food, jobs and growth in rural areas, as well as the sustainable management of natural resources; notes that effective audit and control approaches will have to be followed to ensure that the new delivery model under a reformed CAP delivers on environmental and social criteria in order for the sector to achieve greater sustainability by 2030;
  3. Welcomes the intention to simplify and modernise the CAP; calls on the Commission to ensure that financial and performance control and audit functions are performed to the same high standards of continuous improvement across all Member States while fully respecting the principles of subsidiarity and flexibility; stresses that the Member States need to be given adequate competences to decide on the content, monitoring, control and sanctions of the support schemes applicable in their territories, but emphasises that any simplification or modernisation of the CAP cannot reduce the level of EU ambition, nor can it lead to a sectoralisation of EU policies and programmes, or the replacement of grants by financial instruments;
  4. Insists upon a results-based approach to payments; proposes, therefore, the inclusion of the following issues for indicators:
    - maintaining and creating jobs in the sector;
    - retaining small and medium farm businesses;
    - the health and biodiversity of soil, species and taxa richness;

- topsoil protection and creation, soil cover against erosion;
  - reduced nutrient losses and increased water quality;
  - biodiversity, including the richness and abundance of bird species, wild pollinators and insects;
  - the reduction of pesticide-use dependency and the uptake of integrated pest management (IPM)<sup>1</sup>;
5. Opposes any renationalisation or national co-financing; stresses the need for a fair distribution of direct payments between Member States, which must take into account reliable socio-economic indexes and production costs, in order to close the gaps between the different regions of the Union in the next MFF; recalls that it is crucial to ensure equal competition conditions for all farmers in the EU, taking into account the vulnerabilities and specificities of small-scale economies; stresses, in this respect, the need to reform the agricultural crisis reserve and to increase funding in line with responses to the various cyclical crises in sensitive sectors, to create new instruments that can mitigate price volatility and to increase funding for Programmes of Options Specifically Relating to Remoteness and Insularity (POSEI);
  6. Highlights that CAP support for rural development provides opportunities for all Member States to enhance their competitiveness, promotes effective and sustainable economies and fosters the development of rural areas, where it is vital to tackle depopulation, unemployment and poverty and to promote social inclusion; stresses, therefore, the need to continue financing for rural development measures and to strengthen the second pillar of the CAP; endorses in this context the principles of the LEADER method, as it is fostering innovation, partnership and networking in rural areas;
  7. Believes that the setting of a limit on direct payments – ‘capping’ – should not be left to the discretion of each Member State, but must be established at European level;
  8. Advocates the introduction of degressive payments in order to reduce support for larger farms and shift focus towards redistributive payments, so as to provide more targeted support (e.g. to small-medium sized farms);
  9. Emphasises that agreeing and applying a sound definition of EU added value would benefit public debate and decision-making on future EU spending; supports the move towards more efficient farming and EU added value, but warns against any attempt to use such a definition to call into question the relevance of EU policies and programmes on purely quantitative or short-term economic considerations; stresses the need to strengthen sustainable development, and to develop rural areas and climate and environmental protection through agricultural policy based on the achievement of performance targets; notes that, in order to deliver added value, there must be defined outcomes, results and impacts, and that the Commission and the Member States should agree on relevant evidence-based indicators before setting out their national and regional action plans for subsequent monitoring and implementation evaluation;
  10. Calls for greater synergies between policies which foster rural development and those

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<sup>1</sup> In accordance with the Sustainable Use of Pesticides Directive (2009/128/EC) and Article 67 of Regulation (EC) 1107/2009.

designed to support the integration of refugees;

11. Calls, in accordance with the principle of budgetary efficiency, for coherence and better synergies between the CAP and all other EU policies and international commitments, particularly in the fields of energy, water supply, land use, biodiversity and ecosystems, and in the development of remote and mountainous areas;
12. Calls for increased support for family farms and young farmers and for support for employment in agriculture in rural areas, especially for young farmers;
13. Emphasises that the focus in the future of farming should be on producing high-quality food, as that is where Europe's competitive advantage lies; stresses that EU standards must be maintained and strengthened where feasible; calls for measures to further increase the long-term productivity and competitiveness of the food production sector, and to introduce new technologies and a more efficient use of resources, thereby strengthening the EU's role as a world leader;
14. Considers it unacceptable that there are quality differences between food products which are advertised and distributed in the single market under the same brand and with the same packaging; welcomes the Commission's incentives to address the issue of dual food quality in the single market, including its work on common testing methodology;
15. Urges the Commission and the Member States to monitor the significant price volatility of agricultural products and to encourage the uptake of 'risk management' tools, as they help to protect farmers' incomes.

## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	24.4.2018
<b>Result of final vote</b>	+: 25 -: 2 0: 1
<b>Members present for the final vote</b>	Jean Arthuis, Richard Ashworth, Reimer Böge, Gérard Deprez, Manuel dos Santos, André Elissen, José Manuel Fernandes, Eider Gardiazabal Rubial, Ingeborg Gräßle, Monika Hohlmeier, John Howarth, Bernd Kölmel, Vladimír Maňka, Siegfried Mureşan, Liadh Ní Riada, Jan Olbrycht, Răzvan Popa, Paul Rübig, Petri Sarvamaa, Inese Vaidere, Monika Vana, Tiemo Wölken, Marco Zanni
<b>Substitutes present for the final vote</b>	Jean-Paul Denanot, Anneli Jäätteenmäki, Ivana Maletić, Andrey Novakov, Tomáš Zdechovský

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

25	+
ALDE	Jean Arthuis, Gérard Deprez, Anneli Jäätteenmäki
GUE/NGL	Liadh Ní Riada
PPE	Richard Ashworth, Reimer Böge, José Manuel Fernandes, Ingeborg Gräßle, Monika Hohlmeier, Ivana Maletić, Siegfried Mureşan, Andrey Novakov, Jan Olbrycht, Paul Rübig, Petri Sarvamaa, Inese Vaidere, Tomáš Zdechovský
S&D	Jean-Paul Denanot, Eider Gardiazabal Rubial, John Howarth, Vladimír Maňka, Răzvan Popa, Manuel dos Santos, Tiemo Wölken
VERTS/ALE	Monika Vana

2	-
ECR	Bernd Kölmel
ENF	André Elissen

1	0
ENF	Marco Zanni

**Key to symbols:**

+ : in favour

- : against

0 : abstention

26.4.2018

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

for the Committee on Agriculture and Rural Development

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

Rapporteur for opinion: Angélique Delahaye

### **SUGGESTIONS**

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

- having regard to the Paris Agreement, Decision 1/CP.21 and the 21st Conference of the Parties (COP 21) to the UNFCCC, held in Paris from 30 November to 11 December 2015, the United Nations Sustainable Development Goals (SDGs) and the Convention on Biological Diversity,
- having regard to the European Court of Auditors Special Reports Nos 4/2014 entitled ‘Integration of EU water policy objectives with the CAP: a partial success’ and 21/2017 entitled ‘Greening: a more complex income support scheme, not yet environmentally effective’,
- having regard to the Commission staff working document entitled ‘Agriculture and Sustainable Water Management in the EU’ (SWD(2017)0153),
- having regard to Directive 2009/128/EC on the sustainable use of pesticides<sup>1</sup> and the report from the Commission to the European Parliament and the Council on Member State National Action Plans and on progress in the implementation of Directive 2009/128/EC on the sustainable use of pesticides (COM(2017)0587),
- having regard to the briefing paper of the European Court of Auditors on the future of

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<sup>1</sup> OJ L 309, 24.11.2009, p. 71.

the CAP published on 19 March 2018,

- having regard to the European Citizens’ Initiative (ECI) entitled ‘Ban glyphosate and protect people and the environment from toxic pesticides’,
  - having regard to the study of 16 January 2017 on animal welfare in the EU commissioned for its Committee on Petitions,
  - having regard to Report No 21/2017 of the European Environmental Agency in support of the monitoring of the Seventh Environment Action Programme,
  - having regard to the Commission communication of 14 February 2018 entitled ‘A new modern, Multiannual Financial Framework for a European Union that delivers efficiently on its priorities post-2020’ (COM(2018)0098),
  - having regard to its decision of 8 February 2018 to set up a special committee on the Union’s authorisation procedure for pesticides,
  - having regard to the meta-study entitled ‘Is the CAP fit for purpose? An evidence-based fitness check assessment’<sup>1</sup>,
  - having regard to the UN process resulting in the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD) assessing the potential of food and sustainability,
  - having regard to the report by the UN Special Rapporteur on the Right to Food (A/HRC/34/48),
  - having regard to the Cork 2.0 Declaration 2016, ‘A Better Life in Rural Areas’, issued at the European Conference on Rural Development,
  - having regard to the Environmental Implementation Review (EIR) announced in 2016 (COM(2016)0316), which is a tool to help deliver the benefits of EU environmental law and policies for businesses and citizens through better implementation,
- A. whereas agriculture is one the sectors of the economy expected to contribute to the 2030 objective of reducing greenhouse gas emissions by 30 % compared to 2005 levels under the Effort Sharing Regulation;
- B. whereas both farmers and non-farmers largely agree that agriculture should deliver more benefits for the environment and climate as revealed during the 2017 public consultation on modernising and simplifying the CAP;
- C. whereas organic farming protects the environment, supports biodiversity, minimises soil degradation, works without the systematic use of pesticides and therefore protects the groundwater from harmful pollutants, but its positive achievements need to be taken fully into consideration in shaping the CAP;
- D. whereas the Commission’s communication on the Future of Food and Farming

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<sup>1</sup> Pe’er et al, 2017, German Centre for Integrative Biodiversity Research (iDiv).

acknowledges that the CAP is the most integrated single market policy serving as basis for European integration, while bearing in mind that it has considerable work to do to meet citizens' demands on strengthening biodiversity, on stronger commitments on animal welfare or on climate change and health, and should remain a common policy with an adequate budget and means for environment and climate measures;

- E. whereas approximately 80 % of proteins consumed, especially soya, are imported, mainly from Brazil, Argentina and the USA, and the EU needs urgently to come forward with a protein strategy in the CAP to reduce dependency on imports that drive deforestation and land grabbing;
- F. whereas the Special Eurobarometer study No 442 on the attitudes of Europeans towards animal welfare indicates that 82 % of European citizens consider that the welfare of farm animals should be improved;
- G. whereas certain aspects of the intensification of agricultural systems have put significant pressure on the environment, along with the continued loss of soil functions and an increase in water pollution; whereas well designed policy instruments could mitigate such negative impacts, and the CAP should be redesigned to promote and support fully sustainable agriculture models;
- H. whereas the 2015 European Environment Agency assessment entitled 'State of nature in the EU' states that the main pressures and threats to terrestrial ecosystems reported by Member States are agriculture and the modification of natural conditions; whereas the continuation of current practices will have a profound and damaging impact on nature as well as on future economic prosperity; whereas environmentally harmful subsidies should be phased out;
- I. whereas the CAP is of paramount importance across Europe for around 12 million agricultural holdings;
- J. whereas farmland makes up 47 % of European territory and there are 22 million farmers and agricultural workers in the EU;
- K. whereas small farmers account for about 40 % of EU farms, but receive only 8 % of CAP subsidies;
- L. whereas the CAP objective on the sustainable management of natural resources and climate action is yet to be achieved;
- M. whereas the consumption of saturated fats and red meat in the Union remains well above the recommended nutritional values, and the food industry continues to make a substantial contribution to greenhouse gas and nitrogen emissions;
- N. whereas the current CAP has played a limited role in supporting the expansion of organic farming, which in 2015 covered only 6 % of the utilised agricultural area (UAA) in the Union;
- O. whereas the CAP's objectives, as set out in Article 39 of the Treaty on the Functioning of the European Union (TFEU), are still valid and relevant, and whereas further goals

should be to ensure food safety and sovereignty, and the resilience and sustainability of the EU's agriculture systems and territories to better preserve them for the future;

- P. whereas the CAP aims to integrate environmental objectives by ensuring that its rules are compatible, and farmers comply, with the environmental requirements laid down in Union legislation and by promoting the development of sustainable farming practices that preserve the environment and biodiversity;
- Q. whereas the CAP should play an important role in ensuring sustainable food production, a fair standard of living across regions and Member States, affordable prices for citizens and consumers, the sustainable use and protection of natural resources, the cohesion of rural and urban areas, access to quality food and healthy diets, and coherence with sustainable development and climate goals, while delivering on the commitments regarding environmental protection, climate action, and animal and plant health and welfare;
- R. whereas Parliament must play a comprehensive role in setting a clear policy framework to set common goals at European level and to ensure full democratic debate on strategic issues which have an impact on the everyday lives of all citizens when it comes to the use of natural resources, the quality of our food, health and the transition to fully sustainable agricultural practices;
- S. whereas the Commission's communication on the Future of Food and Farming recognises the need for the CAP to better address fundamental health problems;
- T. whereas it is important that the future CAP is coherent with the United Nations' Sustainable Development Goals, the Paris Agreement and EU policies, particularly in the areas of sustainability, the environment, climate, public health and food;
- U. whereas the future CAP will have to play an enhanced role in sustainable development, public health and environmental and climate protection, with specific objectives to be agreed at EU level and delivered by the Members States, as recommended by the European Court of Auditors, on biodiversity, climate change and antimicrobial resistance, as well as on air, soil and water protection;
- V. whereas, out of the three pillars of sustainable development, the monitoring/measurement of progress in the environmental pillar is the weakest<sup>1</sup>; whereas the Commission's CAP communication proposes that the new delivery model be more results-driven, so addressing the need for data on relevant indicators to deliver this model is crucial;
- W. whereas water and agriculture are intrinsically linked, and the sustainable management of water in the agricultural sector is essential to guarantee good quality and sufficient food production and to ensure the preservation of water resources;
- X. whereas only economically healthy farms will be capable of delivering on EU environmental and climate objectives;

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<sup>1</sup> UN Statistics Division, 2016

- Y. whereas the CAP, as a sectoral and common policy, must be the cornerstone of the reconciliation between environmental and climate objectives and the economic sustainability of the farming sector by developing the contribution from each farmer and wider rural communities to environmental and climate challenges, including harnessing the potential of the circular economy, and by rewarding farmers who have already adopted practices and production models combining both environmental and economic performances; whereas there is a potential for some agricultural practices to achieve a greater environmental performance in the CAP, while also returning greater margins to farmers by reducing production costs;
- Z. whereas a link should be established between the CAP and Directive 2009/128/EC establishing a framework for Community action to achieve the sustainable use of pesticides; whereas, on the basis of Article 191(2) TFEU, the CAP should guarantee compliance with the ‘polluter pays’ principle in order to avoid a competitive disadvantage for the most virtuous companies when reducing the use of pesticides;
- AA. whereas the use of pesticides, the degradation of biodiversity and changes in the agricultural environment have a negative impact on the number of pollinators and the variety of pollinator species; whereas the challenges faced by pollinators, both domesticated and wild, are significant and the effect on EU agriculture and food security could be detrimental given the dependency of the majority of EU production on pollinating services; whereas a public consultation under the EU Pollinators Initiative was launched in January 2018 to identify the best approach and necessary steps to tackle the decline of pollinators in the EU;
- AB. whereas Mediterranean EU regions are more vulnerable to the impacts of climate change, such as drought, fires and desertification, so greater efforts will be required by farmers in these areas to adapt their activities to the altered environment; whereas such efforts should be reflected and supported in the CAP policy framework;
- AC. whereas increasing the long-term resilience and sustainability of the agricultural systems and territories will benefit the EU as a whole;
- AD. whereas it is recognised that a unified approach towards European agricultural and forest ecosystems is not appropriate, recalling, for example, the eligibility rule on a maximum of 100 trees per hectare (or maximum canopy cover), threatening ecosystems and habitats based on agroforestry;
- AE. whereas the greening measures in the current CAP did not reach their full potential, in part because of complex exemptions, and could be subject to further improvement; whereas those measures show how the lack of binding measurable targets to be achieved can lead to failure in providing environmental public goods;
- AF. whereas the evidence-based ‘Fitness Check’ meta-assessment of scientific studies found that greening measures did not significantly improve environmental performance, largely because those requirements were already being met;
- AG. whereas greening measures were based on pre-existing cross-compliance measures, namely maintaining permanent pasture, and to a lesser extent on crop rotation and landscape features;

- AH. whereas the European Court of Auditors has underlined the fact that the green payments introduced as part of the 2013 reform create added complexity and bureaucracy, are difficult to understand, and fail to significantly enhance the CAP's environmental and climate performance;
- AI. whereas the provision of CAP payments should be made strongly conditional upon the delivery of public goods, especially concerning the environment and quality jobs, in order to meet the demands of society;
- AJ. whereas there is a need for a recast CAP to deliver at the level of what is at stake, there is an imperative to give the co-legislators the means to fully exercise their mission within a regulated time frame, and there are the uncertainties related to Brexit;
- AK. whereas the future of food security in Europe must be ensured for both the UK and the EU 27, with the utmost efforts being made to minimise disruption to production and access to food for both parties; whereas all efforts must be made to ensure unitary alignment in environmental and food safety standards so as to ensure that both UK and EU citizens face no reduction in food quality and food safety;
- AL. whereas farming activity has a substantial impact on the environment, climate, health, food safety, biodiversity and animal welfare, but can also contribute to climate change mitigation by reducing greenhouse gas emissions and by sequestering carbon; whereas there is a need for the CAP to address these issues with dedicated instruments and models;
- AM. whereas the CAP needs adequate tools to address the vulnerability of agriculture to climate change and at the same time to reduce the pressure on freshwater reserves exerted by the sector, which accounts for 50 % of freshwater use in the EU;
- AN. whereas the Commission's Europe 2020 Strategy – A resource-efficient Europe calls for a change in consumption patterns in order to sustain the future integrity of the food chain from farm to fork;
- AO. whereas the future CAP should provide farmers with more adequate instruments to protect, conserve and enhance the Union's natural capital and to reverse particularly worrying downward trends in biodiversity, such as those concerning grassland butterflies and farmland birds;
- AP. whereas the future CAP should address ammonia emissions from the agricultural sector, which in 2015 accounted for 94 % of total ammonia emissions across the Union, contributing to air pollution, eutrophication and acidification of the ecosystem;
1. Notes the Commission communication on the Future and Food and Farming and welcomes the recognition that one of the CAP's objectives shall be to enhance and ensure the sustainable management of natural resources and to contribute to the environmental and climate objectives of the EU;
  2. Stresses in particular that future CAP policies must contribute to economically, environmentally and socially sustainable agricultural production, health and other EU policies, and help to meet already agreed international commitments, in particular the

COP21 Paris Agreement, the United Nations Sustainable Development Goals (SDGs) and the Convention on Biological Diversity;

3. Calls for a CAP that has as its top priority the transition of each European farm towards a sustainable undertaking which is fully integrated into the circular economy, combining economic with environmental performance standards without any reduction in social or employment standards;
4. Calls for a CAP that ensures all farmers, including small farmers, receive a fair remunerative income and which respects environmental limits, thereby ensuring resilience and long-term productivity;
5. Recalls that the future CAP needs to encourage farmers to serve society as a whole by introducing or continuing to apply agricultural production methods that are compatible with environment protection and the preservation of landscapes, soils, natural resources and genetic diversity;
6. Recalls that Parliament has already stressed the urgent need to take action to deal with the main causes of biodiversity loss, namely habitat destruction and degradation arising primarily from excessive land consumption, pollution, intensive farming, use of synthetic chemical pesticides and fertilisers, the spread of alien species and climate change; calls therefore for a CAP which is consistent with other EU environmental, social and health policy objectives and international commitments such as the Sustainable Development Goals and climate treaties;
7. Calls for support through new financial instruments and national measures for young farmers making new investments, with a view to the generational renewal of farmers;
8. Recognises that agro-ecological practices such as agroforestry can play an important role in this regard;
9. Calls for an increase in the share of organic agricultural production;
10. Calls for a reformed CAP that is simple, accountable and clearly oriented towards delivering results on sustainable agriculture; considers that the reform should make administrative procedures less complex and burdensome for farmers and improve performance monitoring at Member State level;
11. Calls for a results-based CAP that is consistent with other EU policies and has as its top priority the transition to market-driven and sustainable European agriculture by enhancing long-term productivity and competitiveness and setting European environmental, sustainable and societal development performance targets for the delivery of public goods;
12. Emphasises the need to deliver public goods and ecosystem services related to soil, water, biodiversity, air quality, climate action and the provision of landscape amenities;
13. Calls on the Member States and the Commission to ensure that the future CAP supports more sustainable production systems and the enhanced delivery of public goods from land management;

14. Recalls that Parliament has stressed that the preservation of biodiversity is key for long-term food and feed production, and is therefore in farmers' own interests;
15. Underlines the need to ensure that the future CAP and its expenditure effectively achieve the set objectives through compliance and through greater coherence across policy areas, this being of particular relevance with regard to the sustainable management of natural resources and the instruments dedicated to this aim under the CAP;
16. Recalls that Parliament has already highlighted that the 'Fitness Check' on the Natura Directive stresses the need to improve coherence with the CAP, and highlights the worrying decline in species and habitats linked to agriculture; calls on the Commission to carry out an evaluation of the impact of the CAP on biodiversity; calls further for higher Natura 2000 payments to better incentivise the protection of agricultural Natura 2000 sites, which are in a very poor state;
17. Emphasises that farmers must be adequately rewarded for maintaining and protecting existing habitats; highlights, in this regard, that rules for agri-environmental schemes may incentivise farmers to remove existing habitats and plant new habitats in order to receive payments; points out that this could undermine efforts to enhance biodiversity and environmental protection, and therefore reiterates the need to reward farmers for habitat maintenance and protection;
18. Calls for the integrity of the first pillar to be maintained, built on enhanced cross-compliance of support measures calibrated to maximise the results expected for each farmer and rewarding farmers for the public goods they can deliver, such as climate action and the conservation of wildlife; underlines that the CAP should contain payments for ecosystem services, overseen by environmental authorities, building on the existing LIFE Programme approach; stresses, however, the importance of active family farms of all sizes in maintaining diverse agricultural activity, and that measures would therefore be better targeted if the focus were placed on family farms;
19. Strongly believes that the conditionality between direct payments and greening measures needs to be maintained in order to ensure a more sustainable European agricultural sector, and calls for a new voluntary incentive scheme for farmers willing to go beyond the current agro-environmental measures;
20. Calls on the Commission to focus on the quality of life in rural areas in order to make living there attractive for all people, especially the younger generation;
21. Calls for cross-compliance or for the system that will replace it to include all species-specific farm animal welfare legislation and the directives on laying hens and broilers;
22. Calls for a first pillar, defined at EU level, that recognises the importance of a clear link between granting targeted direct aid, which is strongly conditional on environmental and social results bringing about long-term environmentally and economically sustainable benefits, and the delivery of public goods and services, that includes adequate mechanisms for rewarding farmers, on the basis of ambitious common criteria and clearly measurable objectives defined at EU level, and that better supports farmers in their transition towards economic and environmental performance;

23. Calls on the Commission to ensure that the first pillar remains the main income support scheme for farmers and the guarantee of a level playing field within the single market; stresses therefore that the Commission should prevent policy dissimilarities between Member States in their respective national CAP implementation plans insofar as these could cause market distortions and unfair competition at EU level;
24. Warns against any possible national co-financing of direct payments, as this would result in disrupting the common nature of the CAP;
25. Warns against the risks deriving from the possibility for Member States to independently define their national plans and to review their decisions annually, without a strong common set of rules, objectives and measures defined at EU level; highlights that such a possibility would expose farmers to a great degree of uncertainty deriving from political decisions taken at national level and could have a negative impact on environmental challenges;
26. Calls on the Commission to introduce a new and comprehensive legal framework which allows for coherent implementation of environmental and climate actions such as greening, cross-compliance – which includes good agricultural and environmental conditions (GAECs) and statutory management requirements (SMRs) – and agri-environment-climate measures (AECMs) for rural development, so that farmers can deliver more efficiently and in a simpler and more targeted manner on environmental protection, biodiversity and climate action, while ensuring that Member States have adequate control and taking local conditions into account; stresses the need to ensure a clear separation of measures under Pillar I and Pillar II;
27. Considers that a share of up to 30 % of the first pillar should be devoted to this European incentive scheme decided by Member States as a contractual incitement scheme for a transition towards an agriculture combining economic with environmental performance standards;
28. Considers that the transition towards sustainable farming systems must be facilitated by independent, transparent, sufficiently and publically funded agricultural extension services (FAS) in all Member States and regions and by increasing bottom-up participatory research between researchers and farmers and effective peer-to-peer exchanges in the EU innovation partnerships (EIP), especially for agro-ecological approaches taking advantage of and encouraging natural processes to boost yields and resilience;
29. Considers that special attention should be paid in the FAS and EIP to encourage alternatives to pesticides, especially uptake of the 8 IPM principles to reduce pesticide use dependency, and to move towards achieving a pesticide-free future; considers that taking advantage of and encouraging natural processes to boost yields and resilience is likely to lower production costs based on current experience;
30. Calls for a less complex and more efficient renovated second pillar that is focused on truly incentivising territorial and sector development policies, putting investment, training and advice, smart solutions, sustainability, research, innovation, animal welfare, farm economies and rural livelihoods at its core while allowing Member States to adopt specific approaches to reflect local conditions and needs, including the compensation of

extra costs related to natural handicaps and of more ambitious agro-environmental-climate schemes;

31. Underlines the importance of rural development, including LEADER and CLLD initiatives, in supporting multi-functional agriculture and in fostering partnerships between farmers, local communities, civil society and additional entrepreneurial activities, in order to generate income from diversified economic activities such as agri-tourism, and to secure community-supported agriculture and the provision of social services in rural areas;
32. Calls for a second pillar that sees animal welfare as a compulsory part of rural development programmes in the EU, and provides for a minimum spending requirement on animal welfare measures, as well as long-term incentives to encourage more farmers to adopt higher animal welfare standards that extend beyond current legislation;
33. Calls for the promotion of resource efficiency, including water, to be strengthened in the future CAP, and encourages the empowerment of farmers to take informed decisions on water and nutrient requirements thanks to smart technologies, adequate practices and direct access to information such as satellite data;
34. Calls for measures that increase the recycling of nutrients; calls for the agricultural structural policy to be aligned with the environmental support scheme, for example by better combining crop and livestock farming;
35. Underlines the need for payments under the rural development scheme to farmers located in areas facing natural constraints such as difficult climate conditions, steep slopes or soil quality; calls for the simplification and better focussing of the ANC scheme for the post-2020 period;
36. Considers that only with such a complementary model, which includes clearly defined objectives and is coherent with other EU policies, can the EU's ambitious goals with regard to the environment and rural development be reached; underlines that a flexible, national programming approach should continue to be applied to Pillar II, while common rules and standards should be at the core of Pillar I, in order to ensure an efficient level playing field for all farmers in the EU;
37. Believes that, when risk management tools are not sufficient to cope with massive market disturbances, the future CAP should be able to react better, more efficiently and more quickly to market crises, via European crisis management measures aimed at restoring balanced market conditions;
38. Stresses that one of the key challenges facing the future CAP is farmer's dependency on the use of artificial fertilisers and chemical pesticides, which can have a negative impact on water quality and are linked to biodiversity loss; reiterates that crop rotation, as part of integral pest management, remains one of the most effective tools for preserving biodiversity and restoring soil health;
39. Calls for development of a specific measure within rural development to encourage the serious reduction of pesticide use, based around the European Union's eight principles of Integrated Pest Management (IPM) and encouraging the uptake of non-chemical

alternatives;

40. Underlines the importance of pollination and of biodiversity preservation; calls on the Commission and on Member States to set aside pesticide-free areas in order to prevent bee mortality related to pesticide use;
41. Urges the Commission and Member States to ensure that future agricultural policy addresses the findings on the decline of pollinators and offers adequate solutions;
42. Insists upon a results-based approach to payments; proposes therefore the inclusion of indicators such as soil health and biodiversity, the presence of taxa and species richness, humus and topsoil creation, soil cover against erosion, nutrient losses and water quality, and biodiversity, including the richness and abundance of bird species, wild pollinators and insects;
43. Calls for robust CAP objectives to be set in the basic regulation, in line with environmental legislation and based on quantified and ambitious result indicators; highlights that national CAP strategic plans should be evidence-based and designed with the involvement of the relevant environmental authorities, in consultation with all relevant stakeholders (including small farmers, environmental NGOs and civil society representatives), and must obligatorily follow the partnership principle;
44. Calls on the Commission to ensure that the Member States set quantified targets wherever possible and introduce indicators for measuring the progress of the targets set in their strategic plans;
45. Asks the Commission to provide clear guidance and support for Member States when developing their strategic plans to ensure that these plans are robust and of a high quality;
46. Reiterates that the ‘Fitness Check’ on the Birds and Habitats Directives stresses the need to improve coherence with the CAP and underlines the rapid decline in species and habitats linked to agriculture; calls on the Commission to carry out an evaluation of the impact of the CAP on biodiversity;
47. Asks the Commission to ensure effective and realistic monitoring schemes, based on robust and scientific sampling methodologies to track progress on all objectives;
48. Calls on the Commission to deliver on its proposal for a results-based policy and to provide support from technical assistance and under other policy actions and measures to cover monitoring and data gathering on all relevant indicators, this being of particular relevance given the data gap on environmental indicators;
49. Emphasises that the CAP’s goals are focused on food production and considers that the CAP must deliver on the bio-economy agenda and bio-sourced chemistry strategy, basing this on the principles of the circular economy and taking into account the real climate contribution of the different uses and types of biomass, and must contribute to the revival of rural communities through expert jobs and innovation, in particular as regards wood and other biomass products of high added value and intermediate crops; considers that the CAP should also encourage the use of agricultural waste and residues

for bioenergy as an additional support to rural areas and farmers; considers that the CAP must include an ambitious European green energy and chemistry strategy based on the co-production of plant protein;

50. Calls on the Commission to take a medium- to long-term view in reviewing its policy on proteins, ensuring that its legislative proposals for CAP reform include adequate and reliable new measures and instruments which support farmers in improving crop rotation systems so as to substantially reduce the current protein deficit and price volatility;
51. Considers that the future CAP should promote protein crop cultivation as an important tool for ensuring the transition from intensive monocultures with a high input of synthetic chemical pesticides and a high environmental impact towards diversified agro-ecological systems;
52. Believes that the best way to use protein crops is for food for humans; believes that their production should therefore follow an order of priorities which favours direct human consumption followed by the production of animal feed, and which permits biofuel production from waste only;
53. Calls for the strong promotion of agroforestry which can improve people's quality of life by improving microclimates, increasing resilience at farm and landscape level, enhancing landscapes and providing multipurpose recreational and productive ecosystems; underlines the need to identify and address any gaps that could hamper the development of agroforestry systems, including the lack of possibilities to certify products from 'trees outside forests' in regions of the EU under existing certification schemes;
54. Underlines the important role of sustainably managed forests for the adaptation of forests to climate change, and highlights the significance of the forest-wood value chain for sustaining rural livelihood, creating jobs, growth and social stability in rural areas, and contributing to new value chains in line with the circular economy and bioeconomy;
55. Considers that the CAP needs to manage the risks associated with climate change and land degradation across the whole farmed landscape by investing in making agro-ecosystems resilient and robust through investing in ecological infrastructure to build topsoils, reverse soil erosion, introduce/lengthen crop rotations, add more trees to the landscape and boost on-farm biological and structural diversity;
56. Recalls the strategic importance of research and innovation and calls for better synergy between CAP objectives and Horizon 2020 objectives in the areas of food production, sustainable management of resources and climate action;
57. Asks the Commission to ensure that each imported agricultural product meets the same sanitary and social standards that EU products are held to by introducing reciprocity clauses in each trade agreement; asks the Commission to conduct a systematic impact assessment of the provisions regarding the agricultural sector in each trade agreement, and to offer specific strategies to ensure that no agricultural sector will suffer as a result of a trade agreement concluded with a third country, also taking into account EU geographical indications;

58. Stresses that respect for sustainable agricultural production, the EU legislation and standards on which EU food safety regulations are based, social, economic and environmental EU standards, the farm-to-fork approach, reciprocity and the strict preservation of EU sanitary and phytosanitary standards and procedures on human and animal health and food safety, as defined under EU legislation, are all fundamental and unshakable tenets of all EU Free Trade Agreement negotiations for European agriculture;
59. Stresses that, to ensure a level playing field, a common EU baseline is required that delivers on citizens' rights to a healthy environment and healthy, nutritious food; considers that this baseline should be set to comply with relevant laws and international obligations, and also allow 'no harm' to the environment or to society;
60. Calls for the future CAP to be designed to better address critical public health issues, such as those related to antimicrobial resistance and air quality;
61. Underlines the challenges posed to animal and human health by antimicrobial resistance; believes that the new legal framework should actively promote higher animal health and welfare as a means to combating antibiotic resistance, thereby better protecting public health and the farming sector as a whole;
62. Acknowledges the relevance of involving institutions and experts responsible for health and environmental policies affecting biodiversity, climate change, air, soil and water pollution in the CAP decision-making process;
63. Calls for better policy coordination between the CAP and other EU policies and actions – in particular with Directive 2000/60/EC, Directive 91/676/EEC and Regulation 1107/2009 – as a means to achieving the sustainable protection of water resources whose quantity and quality are negatively impacted by agriculture; calls for incentives to support local cooperation projects between farmers and water suppliers to enhance the protection of water resources;
64. Calls on the Commission to develop relevant synergies between EU flagship programmes for space and the CAP, and especially with the Copernicus programme which presents a specific interest for the farming community in terms of climate change and environment monitoring;
65. Urges the Commission and the Member States to acknowledge that the new societal, environmental, technological and economic changes, such as those in the fields of clean energy, digitalisation and smart solutions, have an impact on rural life; calls on the Commission and the Member States to boost the potential of rural hubs for sustainable, inclusive and sustainable growth and innovation, taking into account the interests of the wider rural communities; recalls that rural areas and settlements require special attention and integrated efforts to develop smart villages, and calls for a level playing field for special technological improvements for rural hubs and grids;
66. Calls on the Commission to introduce a new and comprehensive legal framework to prohibit clearly defined unfair trading practices in the food supply chain, along with minimum standards for enforcing these bans and sanction mechanisms;

67. Believes that this new framework should be underpinned by the possible allocation of a minimum amount of the total available budget to AEMs, including organic agriculture, support for biodiversity, high animal health and welfare standards, and good plant health;
68. Calls on the Commission to introduce a multi-funded investment approach in the post-2020 legislative period to ensure the smooth implementation of integrated rural development tools with clear environmental benefits, such as the smart villages initiative; calls on the Commission to set up measures for the smart villages initiative and to create smart villages as a priority of the next rural development policy;
69. Stresses that more options for cooperation within producer organisations (POs and APOs, including cooperatives) and interbranch organisations (IBOs) are required within the Common Market Organisation (CMO).

## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	25.4.2018
<b>Result of final vote</b>	+:               54 -:                4 0:                1
<b>Members present for the final vote</b>	Marco Affronte, Margrete Auken, Pilar Ayuso, Zoltán Balczó, Biljana Borzan, Lynn Boylan, Paul Brannen, Nessa Childers, Birgit Collin-Langen, Miriam Dalli, Seb Dance, Angélique Delahaye, Stefan Eck, Bas Eickhout, José Inácio Faria, Francesc Gambús, Elisabetta Gardini, Gerben-Jan Gerbrandy, Jens Gieseke, Julie Girling, Sylvie Goddyn, Françoise Grossetête, Andrzej Grzyb, Jytte Guteland, Anneli Jäätteenmäki, Benedek Jávor, Karin Kadenbach, Kateřina Konečná, Urszula Krupa, Giovanni La Via, Peter Liese, Joëlle Mélin, Susanne Melior, Miroslav Mikolášik, Rory Palmer, Massimo Paolucci, Piernicola Pedicini, Bolesław G. Piecha, Pavel Poc, Julia Reid, Frédérique Ries, Michèle Rivasi, Davor Škrlec, Renate Sommer, Estefanía Torres Martínez, Adina-Ioana Vălean, Jadwiga Wiśniewska, Damiano Zoffoli
<b>Substitutes present for the final vote</b>	Cristian-Silviu Bușoi, Caterina Chinnici, Fredrick Federley, Anja Hazekamp, Norbert Lins, Alojz Peterle, Stanislav Polčák, Carolina Punset, Christel Schaldemose
<b>Substitutes under Rule 200(2) present for the final vote</b>	Jude Kirton-Darling, Jeroen Lenaers

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

54	+
ALDE	Fredrick Federley, Gerben-Jan Gerbrandy, Anneli Jäätteenmäki, Carolina Punset, Frédérique Ries
ECR	Urszula Krupa, Bolesław G. Piecha, Jadwiga Wiśniewska
GUE/NLG	Lynn Boylan, Stefan Eck, Kateřina Konečná, Estefanía Torres Martínez
NI	Zoltán Balczó
PPE	Pilar Ayuso, Cristian-Silviu Buşoi, Birgit Collin-Langen, Angélique Delahaye, José Inácio Faria, Francesc Gambús, Elisabetta Gardini, Jens Gieseke, Julie Girling, Françoise Grossetête, Andrzej Grzyb, Giovanni La Via, Jeroen Lenaers, Peter Liese, Norbert Lins, Miroslav Mikolášik, Alojz Peterle, Stanislav Polčák, Renate Sommer, Adina-Ioana Vălean
S&D	Biljana Borzan, Paul Brannen, Nessa Childers, Caterina Chinnici, Miriam Dalli, Seb Dance, Jytte Guteland, Karin Kadenbach, Jude Kirton-Darling, Susanne Melior, Rory Palmer, Massimo Paolucci, Pavel Poc, Christel Schaldemose, Damiano Zoffoli
VERTS/ALE	Marco Affronte, Margrete Auken, Bas Eickhout, Benedek Jávor, Michèle Rivasi, Davor Škrlec

4	-
EFDD	Julia Reid
ENF	Sylvie Goddyn, Joëlle Mélin
GUE/NLG	Anja Hazekamp

1	0
EFDD	Piernicola Pedicini*

Key to symbols:

+ : in favour

- : against

0 : abstention

\* Correction of vote: Piernicola Pedicini had intended to vote in favour

## ANNEX: LETTER FROM THE COMMITTEE ON BUDGETARY CONTROL

IPOL-COM-CONT D (2018)17649

Mr. Czesław Adam Siekierski  
Chair of Committee on Agriculture and Rural  
Development  
European Parliament  
Brussels

**Subject: CONT Opinion in the form of a letter from the Chair (Rule 53(3) RoP) on the AGRI INI - Future of food and farming - 2018/2037(INI) - COM (2017)0713**

Dear Mr Siekierski,

*The Committee on Budgetary Control calls on the Committee on Agriculture and Rural Development, as the committee responsible, to bear in mind the following concerns in its initiative report on Future of food and farming.*

### *Factor income*

1. Points out that according to the data communicated by DG AGRI<sup>1</sup>, the sector's value added and productivity dipped slightly in 2016 whilst remaining well above levels in the years 2005-2009, and that, for the DG AGRI, it is difficult "to pinpoint what exactly caused the overall decline in agricultural factor income since 2013" amongst all the elements on the production volume side or the value/price side, or events such as the 2015 milk crisis;

### *Fair structure of CAP expenditure*

2. Recalls the unsustainable structure of CAP expenditure: 44.7% of all Union farms had an annual income of less than EUR 4000, and in 2016 on average the upper 10% of the beneficiaries of CAP direct support received around 60% of the payments; notes that the distribution of direct payment largely reflects the concentration of land, 20% of farmers also owning 80% of the land; is concerned at the high concentration of beneficiaries and stresses that a better balance of large and small beneficiaries needs to be found;
3. Reiterates its view that direct payments may not fully play their role as a safety net mechanism for stabilising farm income, particularly for smaller farms given the unbalanced distribution of payments;
4. Is of the opinion that larger farm incomes do not necessarily need the same degree of support for stabilising farm incomes as smaller farms in times of income volatility since they may benefit from economies of scale which are likely to make them more resilient;
5. Emphasizes the importance of ensuring a fair standard of living across regions and Member States, guaranteeing there is agricultural activity in all parts of the Union, including in areas with natural constraints; believes that in order to be able to provide a level playing field in the single market, without distortion effect on internal market, voluntary coupled

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<sup>1</sup> (AAR 2016 page 15 - KPI 1: agricultural factor income per full-time worker).

support payments should be maintained as a tool to maintain production in vulnerable sectors and to counteract specific difficulties, particularly those arising from the structural competitive disadvantage of less favoured areas;

#### *Simplification*

6. Calls on the Commission, and Member States who will implement the policy, to provide for a genuine simplification of the procedures, including in the documentation requested in order to have access to funding, without neglecting the principles of control and monitoring; calls for special attention to be paid to administrative support for small-scale producers, for whom the funding is a vital prerequisite for their business survival;

#### *Rural development*

7. Stresses that almost all the rural development projects audited by the Court in 2016 used a system which reimbursed the cost incurred and notes that in the 2014-2020 programming period, Member States may, as an alternative, use a system of simplified cost options involving standard scales of unit costs, lump sums and flat-rate financing, which effectively limits the risk of excessive prices;

#### *Greening must evolve*

8. Is particularly concerned that according to the Court's Special Report 21/2017 "Greening as currently implemented is unlikely to provide significant benefits for the environment and climate mainly because (...) greening requirements are generally undemanding and largely reflect normal farming practice as well as lack of quantified targets."<sup>1</sup> as a result, greening leads to specific changes in farming practices on only a very limited share of EU farmland;
9. Deplores the fact that, as they are part of area-based payments, the greening schemes in the actual design of the programme could increase the imbalances in the distribution of CAP support; calls in this direction on the Commission to consider following the recommendations made by the Court in Special Report 21/2017;

#### *Young farmer scheme*

10. Points out that with huge disparities in the development of the farming sector across the EU, a major problem is the demographic challenge, requiring policies to address the shortage of young farmers in order to ensure the long-term sustainability of agriculture in the Union;
11. Is particularly concerned by the fact that in its Special Report 10/2017 on support for young farmers, the Court notes that for direct payments, the aid to young farmers:
  - (a) is not based on a sound needs assessment;
  - (b) does not reflect the general objective of encouraging generational renewal;
  - (c) is not even always provided to young farmers in need; and
  - (d) is sometimes provided to holdings where young farmers play only a minor role;
12. Regrets that, as to the support to young farmers via rural development schemes, the Court concluded that the measures are generally based on a vague needs assessment and that

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<sup>1</sup> "Greening: a more complex income support scheme, not yet environmentally effective" pp 6 and 47.

there is no real coordination between Pillar 1 payments with Pillar 2 support to young farmers;

*Measures to be taken*

13. Calls on:

- (a) the Commission to carefully analyse the causes of the overall decline in factor income since 2013 and to define a new key performance objective for the next MFF, accompanied with outcome and impact indicators, aiming at mitigating the income inequalities between farmers;
- (b) the Commission to continue to be vigilant as to the checks performed and the data communicated by the Member States' authorities, and to take these findings into account when allocating its audit burden based on risk-evaluations;
- (c) the Member States as well as the beneficiaries and their associations to fully exploit the possibilities offered by the system of simplified cost options in rural development;

14. Calls on:

- (a) the Commission to prepare and develop, for the next CAP reform, a complete intervention logic for EU environmental and climate-related action regarding agriculture, including specific targets and based on an up-to-date scientific understanding of the phenomena concerned; this reform should be guided in particular by following principles :
  - i. Farmers should benefit from CAP payments if they meet a single set of basic environmental norms set at European level, including Good Agricultural Environmental Conditions and greening requirements which go beyond the requirements of environmental legislation; welcomes in this regard the logic of the Commission's "budget focused on results" approach; considers that a future delivery system should be more results-driven;
  - ii; Specific, local environmental and climate-related needs can be appropriately addressed through additional and more effectively targeted programmed action regarding agriculture;
  - iii. When Member States are given options to choose from a list set by the co-legislators in their implementation of the CAP, they should be required to demonstrate, prior to implementation, that the options they select are effective and efficient in terms of achieving policy objectives, and in particular those of food safety and food quality, environmental and climate action measures, and their impact on health, land and countryside management and the fight against depopulation in the EU.

15. Calls on the Commission:

- (a) to perform a comprehensive evaluation of all the existing CAP policies and tools which can be combined to help young farmers and to identify the obstacles to providing access to existing farms or establishing new farms for young farmers which can be addressed in the future revision of the CAP;
- (b) to make sure that, as a component of agricultural reform, further improvements are made to the rural-development framework as set forth inter alia in the Cork Declaration, with a view to ensuring that the support programmes for young farmers are a success;
- (c) to insert in the legislation for the post-2020 CAP (or require Member States to indicate, in

line with the shared management provisions) a clear intervention logic for the policy instruments addressing generational renewal in agriculture;

- (d) to ensure that through its proposed legislation for the post-2020 CAP, the Commission and the Member States (in line with the shared management provisions) improve the monitoring and evaluation system.

Yours sincerely,



Dr Inge Gräßle

## INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

<b>Date adopted</b>	16.5.2018
<b>Result of final vote</b>	+: 32 -: 5 0: 6
<b>Members present for the final vote</b>	John Stuart Agnew, Clara Eugenia Aguilera García, Eric Andrieu, José Bové, Daniel Buda, Nicola Caputo, Matt Carthy, Jacques Colombier, Michel Dantin, Paolo De Castro, Albert Deß, Herbert Dorfmann, Norbert Erdős, Luke Ming Flanagan, Beata Gosiewska, Anja Hazekamp, Esther Herranz García, Jan Huitema, Peter Jahr, Ivan Jakovčić, Jarosław Kalinowski, Zbigniew Kuźmiuk, Philippe Loiseau, Mairead McGuinness, Ulrike Müller, James Nicholson, Maria Noichl, Laurențiu Rebegea, Bronis Ropė, Maria Lidia Senra Rodríguez, Ricardo Serrão Santos, Czesław Adam Siekierski, Maria Gabriela Zoană, Marco Zullo
<b>Substitutes present for the final vote</b>	Franc Bogovič, Paul Brannen, Elsi Katainen, Gabriel Mato, Susanne Melior, Momchil Nekov, Annie Schreijer-Pierik, Ramón Luis Valcárcel Siso, Thomas Waitz
<b>Substitutes under Rule 200(2) present for the final vote</b>	Birgit Collin-Langen

## FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

32	+
ALDE	Ivan Jakovčić, Elsi Katainen, Ulrike Müller
ECR	James Nicholson, Laurențiu Rebeca
EFDD	Marco Zullo
GUE/NGL	Matt Carthy, Luke Ming Flanagan
PPE	Daniel Buda, Birgit Collin-Langen, Michel Dantin, Albert Deß, Herbert Dorfmann, Norbert Erdős, Esther Herranz García, Peter Jahr, Jarosław Kalinowski, Gabriel Mato, Annie Schreijer-Pierik, Czesław Adam Siekierski, Ramón Luis Valcárcel Siso
S&D	Clara Eugenia Aguilera García, Eric Andrieu, Paul Brannen, Nicola Caputo, Paolo De Castro, Susanne Melior, Momchil Nekov, Maria Noichl, Ricardo Serrão Santos, Maria Gabriela Zoană
VERTS/ALE	Thomas Waitz

5	-
ECR	Beata Gosiewska
EFDD	John Stuart Agnew
GUE/NGL	Anja Hazekamp, Maria Lidia Senra Rodríguez
VERTS/ALE	José Bové

6	0
ALDE	Jan Huitema
ECR	Zbigniew Kuzmiuk
ENF	Philippe Loiseau, Jacques Colombier
PPE	Mairead McGuinness
VERTS/ALE	Bronis Rope

Key to symbols:

+ : in favour

- : against

0 : abstention