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AGRICULTURE AND THE RURAL WORLD: FACING THE PRESENT TO PREPARE THE FUTURE

In spite of the different perceptions of the Common Agricultural Policy, the conclusions of Eurobarometer 2006 are striking: 9 out of 10 European citizens believe that agriculture and rural areas are important for the future of the European Union. This perception is shared by all member states and all socio-demographic groups.

For this reason, and because we believe in a modern, competitive, diversified and sustainable agriculture that guarantees food safety and respects the environment, we socialists also recognise its fundamental role. Therefore it is necessary to give due attention and support to it so that it can become an instrument that increases our quality of life, preserves that of the next generations and contributes to the fight against the climate change.

The agricultural sector directly employs 5% of the European working population and contributes to 1.6% of the gross domestic product of the Union. However it is difficult to quantify its role in the management of the territory and preservation of the environment. Thus, the very high evaluation from the majority of the citizens.

Economic and social changes and our adjustment to a globalised world have brought about deep reforms in the CAP. However, their governing principles still remain, as is seen in the draft Reform Treaty. The European Parliament will act as full co-legislator when it comes to the fundamental agricultural regulations.

Indeed, once the new Treaty comes into force, the codecision procedure will be applied to the common agricultural policy, consequently its legislative rank is recognised, and it will reach greater democratic legitimacy. Furthermore the traditional budgetary distinction between compulsory expenditure disappears, in such a way that on the budgetary level, the EP will also decide at the same level as the Council.

The "health check" of the 2003 reform, which will be at the centre of the political debate on agriculture next year, will be an excellent opportunity to discuss the present situation and the future perspectives for European agriculture. In this document we attempt to sum up the main issues that require a debate at a later stage, as well as some guidelines for the future of the agricultural and rural policy in the EU.

A "greener" agriculture contributing to better food security

As the recent turbulence in the market for certain agricultural products has shown, we need to guarantee food production to meet the needs of the European Union. Guaranteeing food security still remains a strategic and principal objective of common agriculture policy. As a net importer of agricultural/food products, Europe must pursue this objective of supplying its

citizens from the point of view of both quantity and quality. It must develop a real European public food policy which will also enable it to work towards a world food balance, together with all the other regions of the world

As in other sectors of human activity, the agricultural sector has contributed in some measure to the decline of the environment by using production methods based on excessive energy consumption and the use of products which worsen the quality of our soil, with the only aim of reaching high returns.

We understand that it is both possible and necessary to improve production methods. Being more respectful with nature does not necessarily imply loss of competitiveness. On the contrary, we would gain product quality and, above all, would preserve and improve the possibilities and the environment for future generations. Moreover, as Socialists, we should encourage farmers to be oriented towards new methods of production based on more ecological principles.

Agriculture can and must play a primary role in helping to combat climate change. Although we consider that the initial aim is feeding the population, we insist on the need to incorporate the production of clean energy into this sector. For this reason, we ask that efforts in research be increased so as to make a more efficient use of second generation waste for the production of bio-energy, and all this in order to avoid competition with products directly used to feed people and cattle.

European Agriculture in the World

An open and regulated general market. As Socialists, we support a global and gradually more open market, but with clear, fair and reciprocal rules. Our agricultural model involves high standards in the social, environmental and food safety field. This implies some added costs since the role of farmers is not limited to producing alone. They have to do so under certain conditions that also require the consideration of the rural environment.

The quality of our products must be our main point in international trade. As Socialists, we believe in and want a trade-mark "MADE IN EUROPE" to be established, identifiable with quality products according to European standards, to promote the marketing of our products outside the Union.

Solidarity with developing countries.

For us European Socialists it is not possible to examine the common agriculture policy without paying specific attention to the repercussions which this policy has and could have on our partner countries in the South and in particular the ACP countries.

European socialists have supported the EBA Agreements (Everything But Arms) in which the 50 poorest countries in the world can export their products to the Union without any quantitative restrictions and free of tariffs. We hope that this measure is extended soon to the rest of the ACP countries that do not form part of the first group. We also welcome the incorporation of the countries of the Andean Community and Central America to the GSP+ and of all those association agreements that are enabling agricultural exports to the Union. This contributes to filling the gap caused by the deficit of European agricultural production. Furthermore it deals, in general, with complementary products.

Finally, as European Socialists, we should take care that European aid does not endanger the production and commercialisation of the agricultural products of the least developed countries and keep a close eye on the effect this aid has on small farmers in developing countries. It is

thus imperative to continue to provide for exceptions and preferential systems for these countries.

What we want: A new agri-rural model

Socialists want to improve living conditions and equal opportunities in rural areas (education, life long training, labour mobility, modernisation of the infrastructures and services to the population) as well as to guarantee economic, social and territorial cohesion in these areas.

It is therefore essential to transfer resources progressively from the first pillar to the second pillar and to respect the balance among the three headings of the European Agricultural Fund for Rural Development: competitiveness in agriculture and forestry, protection of the environment and diversification of economic activity.

Socialists are also very concerned for agricultural workers. They should have the same protection in terms of health and safety in the work place. For us, Socialists, one of the main goals of the future CAP must be to guarantee better and safe jobs in the agricultural sector

A more transparent and balanced financing

The CAP has been losing weight in the Union's Budget. From 60% it will drop to 35% by 2013. This means a relative decrease, but also in absolute terms of aid to the agricultural sector. This is due in part to the results of successive CAP reforms and above all to the change in direction of aid, and adjustment in supply and demand.

Nevertheless, we believe there should be a framework of sufficient aid with the aim of reaching the goals set in the agricultural model.

- **Simplification of aid.** We are in favour of simplification. Direct aid, its decoupling and regionalisation should be the basic criteria in the attribution of aid.

- **Establishment of a ceiling and a digressive system.** While respecting budgetary neutrality, we support the introduction of a ceiling in Community aid combined with a digressive system for its allocation which takes into account certain criteria: as for example area size and type, number of direct full time jobs or the structure of ownership, in particular in the case of cooperatives.

- **Keeping aid for small farmers.** It is necessary to count on the large number of small farmers in defending and caring for the environment in the rural world. Consequently, we cannot accept any measure that eliminates that aid.

- **Transparency and control of aid.** Use of public money must have maximum control and transparency regulations. We believe that the importance that European citizens attach to agriculture must go together with precise information on the contribution they make and on who benefits from those funds.

- **Modulation.** Our agricultural model requires improving the environment as well as the living conditions in the rural environment. For this reason we want to devote more funding to rural development, increasing modulation but introducing a progressive system in the determining of the percentage in function of the amount of aid received.

- **Model of financing.** From 2013 onwards, the Community Budget will certainly not be sufficient to guarantee our model of agriculture. For this reason we are ready to contribute, without prejudice, to the definition of a new model of financing that takes into account the financial capacity of each Member State and which guarantees the community character of the CAP.

Crisis management funds

We support the use of this instrument to respond to situations of serious markets disturbances, epidemics or natural disasters.

Exceptional market measures

We understand that public authorities, that is to say, the Community Institutions, must have the mechanisms, compatible with the WTO, enabling them to act in situations of serious changes in the markets.

Strengthen the information policy

Convince:

The Socialist Group believes that the future reform of the CAP must go hand in hand with a strong, transparent communication policy, aimed at farmers and above all at the general public and focusing on agricultural aid, the role of farmers and, in particular, all the services aside from production that they provide to society, rural development, the food value of products and the benefits of healthy eating, etc. This would enable us to tell the public how their money was being used and bring them closer to farmers. The Communication policy must likewise address consumer education issues such as the necessary changes to consumption patterns and the risks and dangers from a health and economic perspective. Only in that way can agricultural and rural policy be made legitimate in the eyes of society.