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ANNEX

to the report by Mr O'DONNELL

drawn up on behalf of the Committee on Regional Policy
and Regional Planning

OPINION of the Committee on Agriculture, Fisheries and
Food

OPINION

(Rule 101 of the Rules of Procedure)

of the Committee on Agriculture, Fisheries and Food

Draftsman: Mr T. ROSSI

At its meeting of 19 November 1985, the Committee on Agriculture, Fisheries and Food appointed Mr T. ROSSI draftsman of the opinion.

The committee considered the draft opinion at its meeting of 2 and 3 April 1986. It adopted the conclusions by 32 votes to 2 with 2 abstentions.

The following took part in the vote: Mr TOLMAN, chairman; Mr EYRAUD and Mr GRAEFE ZU BARINGDORF, vice-chairmen; Mr T. ROSSI, draftsman of the opinion; Mr AMARAL (deputizing for Mrs S. Martin), Mr CAAMAÑO BERNAL (deputizing for Mr Colino Salamanca), Mr CHRISTENSEN, Mr CLINTON, Mr DALSSASS, Mr J. ELLES (deputizing for Mr Battersby), Mrs EWING (deputizing for Mr Fanton), Mr FILINIS (deputizing for Mr Adamou), Mr GAIBISSO (deputizing for Mr Borgo), Mr GARCIA, Mr GATTI, Mr GUARACCI, Mr GUERMEUR (deputizing for Mr Mouchel), Mr HAPPART, Mr LIGIOS (deputizing for Mr Debatisse), Mr MADEIRA, Mr MAHER, Mr MARCK, Mr MERTENS, Mr MIRANDA DA SILVA, Mr MÜHLEN (deputizing for Mr Bocklet), Mr MUSSO, Mr NAVARRO VELASCO, Mr F. PISONI, Mr N. PISONI, Mr ROMEOS, Mr ROSSI, Mr SANZ FERNANDEZ (deputizing for Mr Sutra), Mr SIERRA BARDAJI, Mr SIMMONDS, Mr VAZQUEZ FOUZ and Mr WOLTJER.

1. INTRODUCTION

- 1.1. No survey of the future prospects for the Community's agricultural policy can disregard its potential effects on regional development. Article 39(2) of the Treaty stipulates that, in shaping the common agricultural policy and its attendant mechanisms, account must be taken of the 'structural and natural disparities between the various agricultural regions'. When comparing the Treaty objectives for the CAP with the results achieved in the pursuit of those objectives, special attention must therefore be paid to the regional aspects of agricultural problems. This is particularly necessary if the aim is to review the CAP in a general economic context with a view to identifying the modifications needed to bring it more closely into line with European and world economic developments.

The accession of the two Iberian countries will considerably worsen regional disequilibria within the Community. Since the agricultural structures of these countries are particularly underdeveloped, the Community must adopt appropriate measures and deal firmly with the relevant problems.

- 1.2. Commission studies reveal huge differences in productivity and in the size of holdings - a situation that has become particularly bad since the accession of the new Member States. They also reveal that the prices and markets policy has above all favoured the more prosperous regions, a fact that is confirmed by a comparative survey of the level of CAP support for farmers in the different regions.

The agricultural structures policy (EAGGF Guidance Section) has done little to rectify this imbalance in the apportionment of Community aid owing to the paucity of the funds available to it (5% of the total EAGGF endowment).

It is not surprising, therefore, that the per capita income of the big cereal producers of northern Europe and of those engaged in intensive farming in the Netherlands is, as Mr O'Donnell points out in his draft report, 5.5 times greater than that of the small producers of the Mezzogiorno and the west of Ireland.

- 1.3. Efforts to achieve the goal of a single market must be matched by efforts to make the Community more closely knit in all the economic sectors. The elimination of regional disparities is a specific objective of the regional policy. However, as the European Parliament has so often pointed out, it is essential that all the policies contribute, in a coordinated manner, to the task of restoring balance if Community action is to be effective and not contradictory.

Of all the Community's policies, the CAP is the most developed and, in financial terms, by far the most important; it is therefore imperative that it make an active contribution to reducing regional disparities.

Before it is adopted, each and every decision should be evaluated in terms of its impact on the disadvantaged regions.

- 1.4. In its annual programme, and in its price proposals, the Commission pledges itself to enhancing the importance of the agricultural structures policy, hinting at the introduction of new proposals. However, it gives no indication of the resources needed for a real strengthening of this policy. In view of the narrow margin that remains between the 1986 budget and the exhaustion of own resources and of the likely need for additional expenditure for the EAGGF Guarantee Section (especially on account of the fall in the dollar), there is every reason to doubt that this pledge can be fulfilled.

2. CONCLUSIONS

- 2.1. The Committee on Agriculture, Fisheries and Food endorses the observations and recommendations made in the draft report by Mr O'Donnell on the effects of the CAP on the socio-economic situation of the regions; invites the Committee on Regional Policy and Regional Planning to take account of the fact that it also:
- 2.2. Requests that any reduction in price support should take account of the consequences for the various Community regions with the aim of protecting those which are less prosperous, while seeking to curb the formation of surpluses through the diversification, improvement and conversion of production based on the demands of the market (quality, variety, etc.);
- 2.3. Stresses the need to maintain the population levels in disadvantaged rural areas and mountain areas by adopting specific measures for income support and the reduction of production costs and by exempting such areas from co-responsibility levies and production quotas;
- 2.4. Calls on the Commission to specify immediately the improvements it proposes to make to the agricultural structures policy and, above all, the financial resources it intends to request for that purpose;
- 2.5. Considers that cohesion must be a primary objective if fuller integration is to be achieved in the Community of Twelve; calls on the budgetary authorities, therefore, to increase the endowment of all the Community's structural funds by a substantial amount.

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