



European Commission
Directorate-General for Agriculture

Newsletter

ISSN 1560-1862

The CAP and the environment

How to take the environment and sustainable development into account in the CAP will be on the agenda of the European summit in Gothenburg on 15 and 16 June. The conclusions of the Presidency of the Council based on the work of the Special Committee on Agriculture, adopted by the Council meeting on agriculture on 24 April, are a contribution to this important debate. The conclusions stress the need to improve environmental indicators as evaluation tools for ensuring that the Agenda 2000 guidelines are applied as effectively as possible.

The Council recognises the importance of the work undertaken by the Commission to establish appropriate environmental and socioeconomic indicators for sustainable agriculture. Those indicators are essential tools for better integrating environmental protection and sustainable development in the CAP. The Council has asked the Commission to accompany all future proposals with a qualitative assessment of their impact in these two areas.

To sum up briefly⁽¹⁾, sustainable agriculture must meet the three related economic, social and ecological challenges and its production methods must reflect the concerns of consumers. The measures to be adopted must obviously comply with existing environmental legislation and meet the general objectives of Community environmental policy⁽²⁾. They must be based on the provisions of the reformed CAP resulting from Agenda 2000. Those provisions cover, inter alia, the policy on agricultural markets. Under the common rules on direct support schemes in those markets, Member States must lay down environmental requirements they consider to be appropriate and may make payments dependent on compliance with those requirements (**cross-compliance**)⁽³⁾.

Strengthening the 'second pillar' of the CAP

In addition, the policy on rural development (referred to in Agenda 2000 as the 'second pillar' of the CAP alongside the markets policy) includes special environmental measures, known as **agri-environment measures**⁽⁴⁾. These provide for payments for commitments going beyond good agricultural practice. They constitute an important environmental tool, being compulsory in all rural development programmes and based on a conscious, voluntary commitment by farmers to greener agriculture. The environment is no longer seen as an 'add-on' but as an essential part of agricultural and rural development and of the socio-professional life of farmers. Farmers, as the first link in the production chain, have a tremendous responsibility for the sound management of environmental resources and that responsibility must be recognised.

It should not be thought that more environmentally friendly agriculture means old-fashioned methods. For example, organic farming (one form of sustainable farming) uses modern, yet natural, plant-protection methods, which avoid the use of pesticides. Research carried out in universities and agricultural institutes has a key role to play in promoting innovative farming techniques that meet environmental, health and quality standards.

Finally, it must be stressed that the aim is not to call into question the objectives of the reformed CAP but rather to ensure that the measures carried out actually achieve those objectives. Fully applied, the rural development policy is an essential tool for creating the conditions for sustainable farming. Consolidating this 'second pillar' is one of the main priorities of the CAP. Compliance with the financial perspective for 2000–06 requires that the resources available must be used as effectively as possible, making the accurate targeting of measures and their evaluation all the more important.

(1) See Newsletters Nos 31 and 32.

(2) The sixth environment action programme, Directorate-General for the Environment web site: <http://www.europa.eu.int/comm/dgs/environment/index_en.htm>.

(3) Regulation (EC) No 1259/1999, Article 3.

(4) Regulation (EC) No 1257/1999, Chapter VI.

Change in solution to banana dispute

On 2 May the Commission adopted a regulation⁽¹⁾ to implement the banana import regime in line with understandings arrived at with the US before Easter and later with Ecuador. The new rules cover the management of the import quotas and will apply from 1 July 2001, at which time the US will suspend its sanctions. As at present, the new arrangements will be largely managed on the basis of historical references albeit with significant changes as outlined below.

This new regulation is the first step in the process leading to a tariff-only system applicable from 2006. It also supersedes the Commission's earlier approach for the management of the quotas on a first come/first served basis⁽²⁾. Under the new system, 83 % of the quotas will be reserved for traditional operators and the remaining 17 % for non-traditional operators. Traditional operators

will now be defined as those operators who carried out primary imports in 1998 on the basis of the 1994-96 reference period. Whereas non-traditional operators will be defined as operators who imported bananas to the customs value of EUR 1 200 000 during one of two years prior to the year in question and who are not registered as traditional operators in the quota concerned.

As the second step in the process, the Commission will propose to the Council and Parliament an amendment to the Council regulation in order that the B quota be increased by 100 000 t and that the C quota be reduced by the same quantity. The C quota will be reserved exclusively for bananas of ACP origin subject to a WTO GATT Article XIII waiver. Both the US and Ecuador have agreed to assist in securing the waiver. On completion of this step, the US will remove the sanctions definitively.

(1) Regulation (EC) No 896/2001 (OJ L 126, 8.5.2001).

(2) See Newsletter No 28.

News in brief

Quality and safety: the debate continues

As part of the wide debate launched by the Commission on the need for production to be based on safety and quality (see *Newsletter* No 32), further round table discussions, following those held in Stockholm, Dublin and Berlin, are planned in Vienna on 6 July (to be confirmed), Paris on 11 July (Messrs Fischler and Byrne) and Brussels on 26 July (Mr Fischler).

Proposal for the reform of the markets in sheepmeat and goatmeat

On 16 May, the Commission adopted a proposal for the reform of the common organisation of the market in sheepmeat and goatmeat⁽¹⁾ with the aim of making the level of premiums paid to producers more stable and predictable while simplifying the existing rules. The main amendment concerns the ewe premium. The current system, in which the level of the premium is based on the difference between a basic price fixed by the Council and the average market price would be replaced by a system of annual flat-rate premiums. The single, fixed premium would be EUR 21 per head (slightly above the average over recent years) for producers of sheepmeat and EUR 16.8 for producers of ewe's milk and goat farmers. This scheme, the cost of which would be known

in advance, would also be more in line with WTO rules since it would not be linked to productivity. The Commission also proposes fixing the supplementary premium (Less Favoured Areas) at EUR 7 for all producers. The current system of premium rights (individual quotas), which has proven to be effective, would be maintained.

(1) COM(2001) 247 final.

Cotton: reform of the aid scheme

On 24 April, the Council meeting on agriculture decided on a reform of the system of aid for cotton applicable from 1 September (2001/02 marketing year). A detailed study had been made of the system with a view to improving its operation, particularly with regard to simplification, control and environmental protection. The principal changes involve the introduction of penalties graded in accordance with the volume of production and the introduction of agri-environment measures similar to those provided for in the common rules on direct support under the CAP. In addition, Greece and Spain will have to send the Commission a report before the end of 2004 on the environmental situation in the sector. Further conditions have been introduced for the fixing and granting of aid and the rules on the payment and adjustment of the minimum price have been clarified.



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This publication does not necessarily express the official views of the Commission.
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Printed on recycled paper.

Text finalised 17/05/2001

KF-AA-01-005-EN-C