



European Commission
Directorate-General for Agriculture

Newsletter

ISSN 1560-1862

Enlargement: successfully integrating the new Member States into the CAP

Agriculture negotiations, the largest of chapters in the enlargement process, have been opened with 10 of the countries applying for membership of the EU (Cyprus, Czech Republic, Estonia, Hungary, Poland, Slovenia, Latvia, Lithuania, Slovakia and Malta). With accession of the first-wave countries set for 2004, the Commission is looking to address the remaining issues in this chapter, i.e. direct payments, quotas, supply management instruments and rural development. Its enlargement and agriculture issues paper ⁽¹⁾, published in January, identifies the path to be taken.

To encourage the necessary restructuring in the agricultural sectors of new Member States, the Commission proposes to 'beef up financial support through an enhanced rural development policy' ⁽²⁾. This means a 50 % rural development top-up as compared to that received by the current EU-15. Fully compatible with the budgetary commitments set down at the Berlin Council in 1999, despite expanding to include 10 countries rather than just the six foreseen, the strategy is one that 'makes sense in economic, ecological and social terms. It also ensures that EU money is well spent in boosting the necessary restructuring process in the new Member States' ⁽³⁾, pronounced Commissioner Fischler.

Simplified direct payments scheme: transitional and optional

The introduction of direct payments is an important issue given the structural change necessary in agriculture in most parts of the candidate countries as well as generally much lower income levels. Progressive introduction is foreseen starting in 2004 at a rate equivalent

to 25 % of the 'normal level', increasing to 30 % in 2005, 35 % in 2006, and reaching 100 % of the support level applicable in 2013. This will give the new Member States the opportunity to undertake necessary restructuring in rural areas and should avoid the creation of income disparities and social distortions.

In order to lighten the administrative burden in the early years, a simplified scheme has been proposed. For a limited period of three years (renewable twice by one year), new Member States will have the option to grant direct payments as a de-coupled area payment applied to the whole agricultural area. Control of the payment will be monitored under the IACS system ⁽⁴⁾.

Commitments (in million EUR — 1999 prices)

	2004	2005	2006
Total direct payment	p.m	1 173	1 418
Market expenditure	516	749	734
Rural development	1 532	1 674	1 781
TOTAL	2 048	3 596	3 933

Agricultural expenditure foreseen for the 10 new Member States (in million EUR — 1999 prices)

	2004	2005	2006
Total direct payment	p.m	1 173	1 418
Market expenditure	516	749	734
Rural development	748	1 187	1 730
TOTAL	1 264	3 109	3 882

⁽¹⁾ For the full paper, see: http://europa.eu.int/comm/enlargement/docs/financialpackage/sec2002-95_en.pdf.

⁽²⁾ Press release IP/02/176, see: <http://europa.eu.int/rapid/start/cgi/guesten/ksh>.

⁽³⁾ SPEECH/02/32, available on the RAPID database: <http://europa.eu.int/rapid/start/cgi/guesten/ksh>.

⁽⁴⁾ Integrated administration and control system.

On Commission approval, new Member States will also be allowed to use national top-ups where EU support does not reach pre-transition levels. This must not exceed the level of payments received in current Member States.

Rural development

An enhanced rural development strategy, building on the work done under the Sapard ⁽⁵⁾ programmes that are currently in place will be introduced to tackle the structural problems in rural areas of new Member States during the transition period. Co-financed at a maximum rate of 80 % by the EU, this will provide support for agri-environmental and early retirement schemes, afforestation, producer groups, investment and marketing, technical assistance as well as a new

measure for semi-subsistence farmers. In addition, the new Member States will receive support for economic development of rural areas, training and labour market measures from the European Regional Development and Social Funds.

Recent data is a better reflection of current production and consumption patterns. Therefore, production quota levels will be identified using a reference period of 1995–99.

Devised to help new Member States to overcome the major challenges that joining the EU's single market and common agricultural policy presents, the strategy seeks to create the best conditions for the integration of the new Member States into the common agricultural policy.

⁽⁵⁾ Special accession programme for agriculture and rural development, see: <http://europa.eu.int/comm/enlargement/pas/sapard.htm>.

News in brief

The continuing debate on agriculture and food

The concluding meeting in the series of high-level round table debates on the issues surrounding food production and food policy in terms of quality, safety and cost (See Newsletter Nos 32 and 37) will take place in Brussels on 17 May 2002, with the participation of Commissioners Fischler and Byrne ⁽¹⁾.

□ Agricultural fairs

The European agricultural world met up during the first quarter of the year at several agricultural fairs. Held in January, the 'Internationale Grüne Woche Berlin 2002' was an excellent start to the year with exchanges of opinion between agricultural policy-makers, agri-industry, the food industry and specialist press. This was followed in February by 'Agribex' in Brussels and the 'Salon de Paris'. 'Alimentaria 2002', one of the most important European food events, typified by themes such as quality, innovation and food security, was held in Barcelona in March. Also in March, the 'Fieragricola' fair took place in Verona. With 'Making and thinking the new agriculture' Fieragricola styles itself as the ideal venue for innovation in primary agriculture and the production chain. The Agriculture DG was well represented at all five fairs with a stand providing information and documentation to the wider public.

□ New Agriculture DG publications ⁽²⁾:

The Directorate-General for Agriculture has issued two new publications:

- In leaflet form, 'Organic farming — organic farming as part of sustainable agriculture in Europe' ⁽³⁾ complements the more detailed brochure 'Organic farming: guide to Community rules' published in 2001 (See Newsletter No 39). Aimed at the general public, the leaflet briefly outlines the principles behind organic farming and includes sections on consumers' choice, integrated farming and the benefits of organic farming on rural development ⁽⁴⁾.
- 'The agricultural situation in the European Union: 2000 report'. The 26th annual agricultural situation report, published in conjunction with the General Report on the Activities of the European Union — 2000, is now available on http://europa.eu.int/comm/agriculture/publi/agrep2000/index_en.htm.

⁽¹⁾ For background and further information, see: http://europa.eu.int/comm/agriculture/foodqual/index_en.htm.

⁽²⁾ Publications available on the Agriculture DG's web site at http://europa.eu.int/comm/agriculture/publi/index_en.htm. Also from the Agriculture DG's Library: Tel. (32-2) 295 65 50.

⁽³⁾ Catalogue No: KF-40-01-682-EN-D.

⁽⁴⁾ Further details on organic farming can be found on: http://europa.eu.int/comm/agriculture/qual/organic/index_en.htm.



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Printed on recycled paper

Text finalised 03/03/2002