



European Commission  
Directorate-General for Agriculture

# Newsletter

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## European conference on rural development in Salzburg

**The major agricultural event of November was undoubtedly the Commission-sponsored conference in Salzburg, Austria, entitled 'Planting seeds for rural futures: rural policy perspectives for a wider Europe'. The conference, held from 12 to 14 November, brought together a wide range of stakeholders to assess the implementation of EU rural development policy since Agenda 2000 and to look ahead to future needs in the next generation of programmes during the period 2007–13.**

This second European conference on rural development follows the conference held in Cork, Ireland, in 1996, which helped shape Agenda 2000 and rural development policy as the second pillar of the CAP.

The conference, attended by approximately 1 100 participants, was opened by His Royal Highness D. Felipe De Borbón y Grecia, Prince of Asturias, and featured several ministers, the Commissioners with responsibility for agriculture, rural development and fisheries (Franz Fischler) and for regional policy and reform of the institutions (Michel Barnier) and other European, national and regional experts too numerous to mention. The conference ended with the adoption of a series of conclusions aimed at guiding future policy planning on rural development. These included:

- a reinforced commitment to the economically, environmentally and socially sustainable development of all rural areas that are so vital to the EU;
- agreement that some rural areas lag behind others in terms of services, infrastructure, employment and development potential, and that assistance to them needs to be reinforced;
- realisation that the delivery of rural development support is often too complex, including the funding aspects, and that simplification is needed.

A crucial debate to come will be the discussion of the future funding of rural development policy in the context of the next EU financial perspective (covering the period 2007–13). Many rural development stakeholders favour the creation of a single fund aimed at assisting rural areas, to replace the more complex mix of funding sources currently available. But the conference agreed that finding the right balance in use of the funds, among all the possible instruments available, is also vital.

There are many other areas that policy-makers will want to examine very closely in future. For example, the Salzburg conference issued a call for a reinforcement of the 'bottom-up' approach to the design and operation of rural development programmes, so that local stakeholders



can have a greater say in measures to help their areas. There was a call for less complexity in programme administration. In line with this, more assistance is thought to be needed for networking, evaluation and partnership building, the Leader initiative being a good example to follow.

Another area of concern is to widen the scope of rural development policy so that it benefits a broader cross-section of rural society, and applies in all rural areas. The conference also emphasised that the competitiveness of the farming sector must remain a key aim of the rural development policy and that this will be of particular importance for the new Member States. At the same time, the Commission does not want to lose sight of the need to increase the opportunities for diversification of on-farm activities and to improve the quality of agricultural products. The view that farmers must continue to occupy a central role in, and be significant beneficiaries of, EU rural development support was underlined.

Commissioner Fischler summed up the success of the conference by stating that 'Salzburg has not been the finishing line, but the starting gun for intensive discussions at regional, national and EU level from which to make a new beginning'. He also drew attention to the importance of the conference delegates having had the chance, during the conference, to see at first hand the implementation of rural policies in the area around Salzburg.

In the coming months, the challenge will be to translate the ideas expressed in Salzburg into practice. The Agriculture DG intends to publish the full proceedings of the conference once they are available in all languages. In the meantime, full details of the Salzburg conference, plus supporting documents, can be found at:  
[http://europa.eu.int/comm/agriculture/events/salzburg/index\\_en.htm](http://europa.eu.int/comm/agriculture/events/salzburg/index_en.htm)

# Commission's adoption of reform proposals for Europe's tobacco, olive oil, cotton and hops sectors

The Commission has formally proposed reforms to the CAP support systems for the so-called 'Mediterranean products' — tobacco, olive oil and table olives and cotton — and for hops. While continuing the policy line of the CAP reform of June 2003, the proposals cover issues specific to these production sectors.

A Commission communication (in September) <sup>(1)</sup> had already outlined ideas for reform of these sectors. The Commission then conducted intensive consultations with the sectors, Member States and other stakeholders before adopting formal proposals. Commissioner Franz Fischler summed up the approach, saying, 'These proposed reforms would give farmers the possibility to produce in a market-oriented and sustainable way. Our proposals also take account of the importance of cotton, olive oil, tobacco and hops production. This is why we foresee targeted measures so that farming does not disappear in certain regions.'

The Commission proposes that, for all four sectors, all or a significant part of the current production-linked payments to producers would be transferred to the decoupled single payment scheme. Consistent with the June reform, all direct payments will be linked to respect environmental and food safety standards through 'cross-compliance'. More details are given below.

## Tobacco

The Commission proposes a gradual move of support payments into the single payment scheme, so as not to disrupt production or endanger growers. Meanwhile the 'Community Tobacco Fund', which finances information programmes, would be phased out. Rural development

measures, including a special financial envelope, will help restructuring within tobacco producing areas. Overall support to growers would remain at current levels.

## Olive oil and table olives

Increasing use of geographical information system (GIS) data for olive cultivation should help in achieving better control and fairer treatment among olive growers. The Commission proposes that quality improvement and promotional measures should be reinforced, with the close involvement of sectoral organisations.

## Cotton

The proposal provides that 60 % of the part of the expenditure for cotton that was destined for producer support during the reference period would be transferred to the decoupled single payment scheme. As national envelopes, Member States would retain 40 % for the granting to producers of a new area payment per hectare of cotton, within the limit of a maximum base area. The rest of the EU money granted to the sector during the reference period would be earmarked for rural development in cotton producing areas.

## Hops

For hops, a total decoupling is proposed with the possibility for Member States to keep 25 % of aid as coupled payments.

It is proposed that the reforms enter into force on 1 January 2005.

<sup>(1)</sup> See the October 2003 *Newsletter* (No 58): [http://europa.eu.int/comm/agriculture/publi/newsletter/58/58\\_en.pdf](http://europa.eu.int/comm/agriculture/publi/newsletter/58/58_en.pdf)

## News in brief

### □ Promotional campaigns for olive oil and table olives

The Commission has approved (on 9 October 2003) five programmes to promote the consumption of olive oil and table olives. They were submitted by Greece, Italy and Spain and will cost EUR 4.88 million, half of which will be met by the EU budget. The largest programme, to be managed by the Spanish olive oil industry association OIAI, is worth EUR 2.7 million. Other organisations managing the programmes all come from the olive sector and include the Greek Olive Oil Canners' Union, the Pan-Hellenic Union of Table Olive Processors and Exporters, the Italian National Consortium of Olive Growers, and the Foggia Olive Growers' Association.

The programmes were the first to be approved after olive oil and table olives had been included in the list of products eligible for co-financed promotion (under the Council regulation on information and promotion actions for agricultural products on the internal market) <sup>(1)</sup>.

<sup>(1)</sup> Council Regulation (EC) No 2826/2000 of 19 December 2000 (OJ L 328, 23.12.2000).

