MEPs warn Barroso against slashing EU farm budget

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EUOBSERVER / BRUSSELS - MEPs have said they do not support a large-scale reduction in funding for rural development schemes, amid reports that the European Commission may aim to make savings in this area in next week's highly-anticipated multi-annual budget proposals.

"We said quite clearly to [European Commission President Jose Manuel] Barroso today that we don't agree with him," Albert Dess told journalists on Thursday (23 June) after euro-deputies adopted by a large majority his report setting out parliament's position on reforming the common agricultural policy (CAP).

"Some people have been saying that the second pillar [of the CAP which funds rural development] should be hugely cut. We clearly said that the second pillar should be maintained."

The CAP and EU structural funds take up the lion's share of the EU's roughly €120 billion annual budget, making them an obvious target for cuts next week as the commission looks to increase funding for research and transport infrastructure, for example.

EU commissioners are scheduled to sit down next Wednesday morning and thrash out exactly where money will be allocated under the next spending period (2014-2020), with the debate potentially lasting into Thursday.

A commission source said slashing pillar two of the CAP was just one of several ideas under consideration, but suggested it was highly unlikely to win out.

"The guys upstairs will have looked at every option including a reduction in the CAP's second pillar. That doesn't mean it has been picked," they said.

On Wednesday EU agriculture commissioner Dacian Cioloș told MEPs not to worry. "Rest assured, the commission president, the college [of 27 commissioners] and I lay great store by the two pillars," he told the euro-deputies.

Under the current system, roughly 75 percent of EU farm funds are given to farmers in the form of direct annual payments and emergency support (pillar one) in times of crisis, for instance when milk prices fall below a certain level.

The remaining 25 percent is directed towards farmers who engage in additional environmental projects such as the preservation of endangered wetlands or the planting of hedgerows to stem biodiversity loss.

By adopting the Dess report on Thursday, MEPs also said they wanted a greener and less bureaucratic CAP in the future, and one that resulted in a fairer distribution of direct payments between member states. Direct payments currently range from over
€500 per hectare in Greece to less than €100 in Latvia.

The debate in Brussels came as G20 farm ministers wrapped up two days of talks on rising agricultural commodity prices and the dangers of a global food crisis similar to 2008, when riots broke out in Haiti and parts of Asia.

Ministers agreed to exclude humanitarian aid from export restrictions, and explore the implementation of humanitarian food aid stocks, but the deal fell short of French calls to crack down on commodity speculators.

The meeting also ducked the increasingly controversial issues of biofuels, simply calling for more studies on the issue.

UN Special Rapporteur on the Right to Food Olivier De Schutter blasted the pussyfooting. "There is a consensus among international agencies that biofuels production ... has been a major factor in the price increases of basic food commodities over the past four years," he said.

"That the G20 still insists on the need for more studies ... shows how commercial interests can trump the concern for food security."

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