

Procedure file

Basic information			
INI - Own-initiative procedure	2004/2259(INI)	Procedure completed	
Promotion of crops for non-food purposes			
Subject 3.10.03 Marketing and trade of agricultural products and livestock			

Key players			
European Parliament	Committee responsible AGRI Agriculture and Rural Development	Rapporteur PPE-DE <u>PARISH Neil</u>	Appointed 23/11/2004
European Commission	Commission DG <u>Agriculture and Rural Development</u>	Commissioner	

Key events			
13/01/2005	Committee referral announced in Parliament		
21/02/2006	Vote in committee		Summary
24/02/2006	Committee report tabled for plenary	<u>A6-0040/2006</u>	
23/03/2006	Results of vote in Parliament		
23/03/2006	Debate in Parliament		
23/03/2006	Decision by Parliament	<u>T6-0116/2006</u>	Summary
23/03/2006	End of procedure in Parliament		

Technical information			
Procedure reference	2004/2259(INI)		
Procedure type	INI - Own-initiative procedure		
Procedure subtype	Initiative		
Legal basis	Rules of Procedure EP 54		
Stage reached in procedure	Procedure completed		
Committee dossier	AGRI/6/25128		

Committee draft report	PE359.887	10/01/2006	EP	
Amendments tabled in committee	PE365.048	07/02/2006	EP	
Committee report tabled for plenary, single reading	A6-0040/2006	24/02/2006	EP	
Text adopted by Parliament, single reading	T6-0116/2006	23/03/2006	EP	Summary
Commission response to text adopted in plenary	SP(2006)1725	19/04/2006	EC	
Commission response to text adopted in plenary	SP(2006)1918	30/06/2006	EC	

Promotion of crops for non-food purposes

The committee adopted the own-initiative report by Neil PARISH (EPP-ED, UK) on the promotion of crops for non-food purposes. The report highlighted the benefits of using renewable raw materials in various ways - including as a replacement for fossil energy sources - which could benefit the environment, offer new opportunities for modern farming and create new jobs in line with the Lisbon strategy. It pointed out that the recent CAP reform had created the conditions necessary for the development of non-food crops through decoupling, energy crops regime and set-aside land cultivation.

The committee made a series of recommendations to the Commission for developing the use of non-food crops, including: support for R&D in non-food crop technology; defining a Community Strategy and Action Plan to promote renewable energy sources while also guaranteeing the security of food supply in the EU; drawing up operational programmes to make use of biomass, to be jointly funded by the Structural Funds, the Cohesion Fund and the 7th research framework programme; reviewing the set-aside arrangements under the energy crops scheme and increasing the maximum area eligible for additional aid; extending the list of crops eligible for cultivation for biofuel production in the support systems; and promoting an internal market for renewable energy sources. MEPs stressed, however, that particular care should be taken to avoid any intensification of production which may have adverse effects on the environment (such as polluting the soil with fertiliser residues and depleting water resources), and said that the impact of energy crops on the rural environment should be monitored.

The committee also outlined the opportunities offered by "speciality crops" and products, i.e. environmentally-friendly speciality chemicals made from agricultural raw materials in place of non-biodegradable chemical products, pharmaceutical crops for making vaccines and other medical industry products, raw material for natural and hypo-allergenic cosmetics, natural textiles and novel food products. And it highlighted the potential offered by the use of agricultural residues and waste for the production of heat and electricity.

Lastly, MEPs wanted the targets laid down in Directive 2003/30/EC on biofuels (i.e. biofuel to constitute 5.75% of all transport fuel by 2010) to be made obligatory. At the same time they called for "qualified market access arrangements" for biofuel imports from third countries such as Brazil, arguing that it was necessary to safeguard the worldwide security of food supply, biodiversity and the CO₂ absorption capacity of virgin forests through the targeted levying of duties and the promotion of rural development projects involving the sustainable use of resources in third countries. In this way, they said, it would be possible to maintain a competitive biofuel industry in the EU while applying high environmental standards.

Promotion of crops for non-food purposes

The European Parliament adopted a resolution based on the own-initiative report drafted by Neil PARISH (EPP-ED, UK) on the promotion of crops for non-food purposes. (Please see the summary of 21/02/2006.) The resolution was adopted by 471 votes in favour and 12 against, with 12 abstentions.

A future for non-food crops: Parliament stressed the importance of increasing support for non-food crop technology to enhance the potential of the industry. It called on the Commission to define a Community strategy and action plan to promote renewable energy sources in order to contribute to guaranteeing the security of food supply and improving energy efficiency in the EU. Far from being mutually exclusive objectives, the promotion of biofuels could have a major role to play in guaranteeing secure food supplies by keeping land in agricultural use.

Parliament felt that certain issues were important, inter alia:

- national action plans for biomass should be drawn up on the basis of integrated proposals, specifying priorities for the use of certain types of biomass and setting out specific environmental measures and policies for informing consumers about the benefits, problems and the contribution of this renewable energy source to sustainable development;
- the raw materials required for the production of biodiesel, bioethanol and heat and electricity generated from biomass should be sourced primarily from Member States' own reserves;
- the targets in Directive 2003/30/EC on biofuels should be obligatory, with the establishment of robust monitoring mechanisms and with the aim that the commitments undertaken be achieved primarily from local European production;
- all rural areas have considerable potential for biomass production but the poorest of them always find it more difficult to harness that potential on account of their lower production levels and their natural and structural handicaps. These areas should therefore be given priority in the use of Structural Funds for the purpose of exploiting their potential;
- operational programmes to make use of biomass should be drawn up. They should be jointly financed by the Structural Funds, the Cohesion Fund, and the seventh framework programme of the European Community for research, technological development and demonstration activities (2007-2013);

- the Commission should review the set-aside arrangements under the energy crops scheme increase the maximum area eligible for additional aid and the level of payment;

- the list of crops eligible for cultivation for the production of biofuels in the support systems must be extended, to ensure that the most suitable energy crops are selected at local and regional level, to ensure corresponding forms of support for all forms of renewable energy sources, such as bioethanol, biodiesel and anaerobic digestion (biogas), and to provide producers with sufficient incentives to switch to this type of crop;

- the Commission should take action with a view to reaching a compromise on biofuels between the motor vehicle and petroleum industries at the earliest opportunity, in line with the principle 'biofuels for cars, not cars for biofuels'.

Parliament stressed that particular care should be taken to avoid any intensification of production which might have adverse effects on the environment such as polluting the soil with fertiliser residues and plant protection products and depleting and contaminating water resources. In addition, the impact of energy crops on the rural environment should be monitored and thought should be given to the introduction of a regulation seeking to prevent the uncontrolled spread of crops recognised as invasive in given areas.

Opportunities provided by speciality crops and products: Parliament called on the Commission to encourage the production of speciality chemicals from agricultural raw material in order to increase farm income and provide the market with environmentally friendly and healthy products in the place of non-biodegradable chemical products. Applications for speciality crops could be very effective on a decentralised and small scale, and could therefore benefit a large number of farmers. Parliament also underlined the potential of agriculture to produce pharmaceutical crops for the production of vaccines and other products that aim to provide the medical industry with adequate instruments for health care.

Promoting the production of heat and electricity from agricultural resources: Parliament highlighted the potential offered by agricultural residues and waste for the production of heating, cooling and electricity, employing methods which were economically efficient and ecologically sound. In addition, Parliament felt that :

- research funding should be increasingly directed towards the more efficient and extensive use of organic waste from farming;
- the Commission should promote efficient use of the biomass available in the form of forestry and agricultural waste ;
- there should be obligatory targets for renewable heat generation, heat generation from agricultural by-products and the potential for the use of district heating, which will stimulate the efficient use of biomass as a renewable energy source;
- Member States should raise public awareness as regards the positive environmental effects of using biomass and renewable energy sources;
- due account should be taken of the need to make use of agricultural by-products and other biomass waste, including biodegradable industrial waste.

Opportunities for biofuels: Parliament highlighted that the replacement of fossil fuels could lead to economic opportunities and the creation of jobs in line with the Lisbon Strategy. It urged Member States to consider measures such as further tax incentives and the blending of fossil fuels with biofuels as promising ways to promote biofuels. However, the introduction of fiscal measures such as tax exemptions requires careful handling in order to avoid distorting the market through the over-compensation of imported biofuels and those forms of energy with particularly low production costs.

Parliament asked the Commission to consider putting in place qualified market access arrangements for biofuel imports from third countries such as Brazil, so as to safeguard the worldwide security of food supply, biodiversity and the CO₂ absorption-capacity of virgin forests, through the targeted levying of duties and the promotion of rural development projects aimed at the sustainable use of resources in third countries. This would allow the biofuel industry in the EU to remain competitive while applying high environmental standards.

Parliament acknowledged that biofuels are more expensive than fossil fuels - at least for the time being and until cheaper means of production are found, hence the importance of allocating funds to research - but pointed out that the mixing of biofuels and fossil fuels has a positive impact on the environment. Finally, it called on the Commission to propose a revision of Directive 98/70/EC on the quality of petrol and diesel fuels so as to determine the adequate means to facilitate the realisation of the objectives set out in Directive 2003/30/EC on biofuels, and thereby further to promote biofuels.