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NOTE

From: General Secretariat of the Council

To: Delegations

Subject: The position of the EU on the WTO agricultural negotiations
- Information from the Bulgarian, Cyprus, French, Greek, Hungarian,
Lithuanian, Polish, Romanian and Spanish delegations

Delegations will find in the Annex an information note from the Bulgarian, Cyprus, French, Greek, Hungarian, Lithuanian, Polish, Romanian and Spanish delegations on the above subject to be presented under "Any other business" at the Council (Agriculture and Fisheries) on 12 June 2017.

Subject: The position of the EU on the WTO agricultural negotiations

The preparations to the WTO Ministerial Conference in Buenos Aires (11-14 December 2017) include negotiations on i.a. introduction of new rules of support for agricultural producers.

Until now, the European Union has not presented its official position on this issue at the WTO, but the European Commission currently holds talks with Brazil to develop a joint negotiation proposal. The proposal may include a reduction in the currently available trade-distorting support. A new limit will most likely be proposed, which will be determined based on a specific, negotiated percentage of the production value.

The preparations to the Ministerial Conference cover also the cotton sector and the permanent mechanism of public stockholding for food security in developing countries.

In 2016, during the discussions at the Trade Policy Committee and technical consultation with experts from the EU Member States, the European Commission presented a justification for an active position in those negotiations and for developing a new parameter for reducing trade-distorting support. The information was based on the contents of notifications submitted to the WTO and did not include any details of the negotiated agreement. The progress in negotiations has been very slow so far, primarily due to the lack of activity on the part of major third countries.

An acceleration in the negotiation process is expected now. The EU Member States should have an opportunity to conduct internal negotiations with stakeholders and prepare them for the effects of new solutions. To this aim, Member States need detailed and updated data on former and current CAP measures with regard to WTO disciplines, and to discuss them at expert level through technical meetings.

In this context, **Bulgaria, Cyprus, France, Greece, Hungary, Lithuania, Poland, Romania and Spain** propose to hold a discussion among the Ministers of Agriculture on the EU's negotiation position on the basis of new information from the European Commission on the prospects for an agreement at the Ministerial Conference and on the progress in negotiations with Brazil. Holding these technical and political discussions, including in the trade policy forums, prior to submitting any EU proposal is critical to ensure the cooperation of Member states to the EU trade policy as stated by the EU Treaties.

The information on the scope of the new agreement and the scale of reduction of domestic support limits is of particular importance in the light of the ongoing debate of the CAP after 2020 and beyond.

The signatories of this proposal are of the opinion that the future EU commitments at the WTO should not force a change in the current CAP mechanisms and should ensure the necessary freedom in pursuing an active agricultural policy in the EU. During the negotiations, the European Commission should i.a. consider the need to continue (in compliance with the WTO) the current support mechanisms, and in particular the single area payment scheme (SAPS) and the *basic payment scheme* (BPS).

The negotiations should not cover the following support categories: "blue box" and "green box", and should not introduce disciplines on support by products.