



COUNCIL OF THE EUROPEAN UNION



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PRESS RELEASE

3110th Council meeting

Agriculture and Fisheries

Brussels, 20 September 2011

President Mr Marek SAWICKI Minister for Agriculture and Rural Development of Poland.



Main results of the Council

As regards agriculture, ministers held a policy debate on the **distribution of food products to the most deprived persons in the Union**. They could not secure a majority in favour of the Commission proposal.

Secondly, the Council discussed on the energy use of biomass of agricultural origin.

Finally, the ministers were briefed on the crisis in the fruit and vegetables sector and on the complementary national direct payments in 2012.

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- ¹ Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
 - Documents for which references are given in the text are available on the Council's Internet site (http://www.consilium.europa.eu).
 - Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's Internet site or may be obtained from the Press Office.

PARTICIPANTS

Belgium: Ms Sabine LARUELLE

Mr Benoît LUTGEN

Mr Kris PEETERS

Bulgaria: Mr Tzvetan DIMITROV

Czech Republic: Mr Juraj CHMIEL

Denmark: Mr Anders MIKKELSEN

Germany: Mr Robert KLOOS

Estonia: Mr Helir-Valdor SEEDER

<u>Ireland:</u> Mr Tom MORAN

Greece: Ms Georgia BAZOTI-MISONI

<u>Spain:</u> Ms Rosa AGUILAR RIVERO

<u>France:</u> Mr Bruno LE MAIRE

<u>Italy</u> Mr Francesco Saverio ROMANO

<u>Cyprus:</u> Mr Sofoclis ALETRARIS

<u>Latvia:</u> Mr Jānis DŪKLAVS

Lithuania: Mr Mindaugas KUKLIERIUS

Luxembourg: Mr Frank SCHMIT

Hungary: Mr György CZERVÁN

Malta: Mr Patrick MIFSUD

<u>Netherlands:</u> Mr Hans HOOGEVEEN Minister for SMEs, the Self-Employed, Agriculture and Science Policy Minister for Public Works, Agriculture, Rural Affairs, Nature, Forests and Heritage Minister President of the Flemish Government and Flemish Minister for the Economy, Foreign Policy, Agriculture and Rural Policy

Deputy Minister for Agriculture and Food

Deputy Minister for Agriculture

Director, Ministry of Food, Agriculture and Fisheries

State Secretary, Federal Ministry of Food, Agriculture and Consumer Protection

Minister for Agriculture

Secretary General, Department of Agriculture, Fisheries and Food

General Secretary for Food and Agriculture

Minister for the Environment and the Rural and Marine Environment

Minister for Agriculture, Food and Fisheries, the Countryside and Land Use Planning

Minister for Agricultural Policies, Food and Forestry

Minister for Agriculture, Natural Resources and Environment

Minister for Agriculture

Deputy Minister for Agriculture

Director, Ministry of Agriculture, Viticulture and Rural Development

State Secretary, Ministry of Rural Development

Deputy Permanent Representative

Director-General, Ministry of Agriculture, Nature and Food Quality

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<u>Austria:</u> Ms Edith KLAUSER

<u>Poland:</u> Mr Marek SAWICKI Mr Jarosław WOJTOWICZ

Portugal: Mr José DIOGO ALBUQUERQUE

Romania: Mr Achim IRIMESCU

<u>Slovenia:</u> Mr Dejan ŽIDAN

Slovakia: Mr Gabriel CSICSAI

<u>Finland:</u> Mr Jari KOSKINEN

<u>Sweden:</u> Mr Jan OLSSON

United Kingdom: Mr Jim PAICE Director General for Agriculture and Nutrition, Ministry of Agriculture, Forestry, Environmental and Water management

Minister for Agriculture and Rural Development Under-Secretary of state, Ministry of Agriculture and Rural Development

State Secretary for Agriculture

Minister Counsellor, Permanent Representation of Romania

Minister for Agriculture, Forestry and Food

State Secretary at the Ministry of Agriculture and Rural Development

Minister for Agriculture and Forestry

Deputy Permanent Representative

Minister of State for Environment, Food and Rural Affairs

<u>Commission:</u> Mr Dacian CIOLOŞ

Member

ITEMS DEBATED

DISTRIBUTION OF FOOD PRODUCTS TO THE MOST DEPRIVED

The Council held a policy debate on a proposal for a regulation concerning the distribution of food products to the most deprived persons in the Union ($\underline{13900/1/11}$).

A qualified majority in favour of guaranteeing the effective functioning of the programme until the end of 2013 could not be reached. The Presidency took note of the positions of the delegations and undertook to reflect on how to take the work forward on this file.

The initial proposal on this matter was presented to the Council in 2008. In 2010, the Commission submitted an amended proposal on the same subject (13435/10). In both cases, a blocking minority emerged against the proposal.

The current programme under which the European Union can supply food from intervention stocks to the most deprived persons was created in 1987. It was incorporated into the "single common market organisation" regulation in 2007.

In 2008, the Commission proposed to amend the current rules. According to its proposal, food would be sourced either from intervention stocks or from the market but market purchases would no longer be limited to situations of temporary unavailability of intervention stocks, as is currently the case. Moreover, the fade-out of intervention stocks, due to the reframing of the common agricultural policy (CAP) and high prices of agricultural commodities, have already increased the current scheme's reliance on market purchases for the provision of food. In addition, to optimise the nutritional balance, the choice of foods distributed would be extended to those to which intervention does not apply. The proposal also introduced national co-financing of the scheme and a ceiling for the Union's financial contribution.

In 2010, a newly amended proposal introduced a reshaping of the text to bring it into line with the provisions of the Lisbon Treaty. It proposed a change in the rules for cofinancing with an increase in the Union's contribution, and provided that financing sources in the Member States can be either public-sector or private.

It should be noted that in 2008, Germany brought an action against the Commission before the Court of First Instance seeking partial annulment of the Commission regulation on implementing the programme in 2009. On 13 April 2011, the ruling of the General Court annulled those provisions of the Commission regulation allowing market purchases. Such purchases accounted for 90% of the resources allocated for the 2009 programme. On 10 June 2011, to take account of the ruling, the Commission adopted a regulation providing for a reduction in the budget of the 2012 programme from €480 million to €113.5 million. The 2012 scheme will thus be based exclusively on existing intervention stocks, with member states receiving less than a quarter of what they received in earlier years. Furthermore, given the current market prospects, it is unlikely that there will be any intervention stocks in the market year 2011-2012 and therefore it will not be possible to run the programme in 2013.

The last Commission proposal presented today would only apply to 2012 and 2013 since for the new multiannual financial framework the Commission has proposed a transfer of funding for this programme from Heading 2 ("Sustainable Growth: Natural resources") to Heading 1 ("Smart & Inclusive Growth"), where the Commission considers it fits more appropriately with the poverty reduction target of the Europe 2020 strategy. A new legislative proposal on this issue for the period commencing in 2014 will be submitted by the Commission in due course.

ENERGY USE OF BIOMASS OF AGRICULTURAL ORIGIN

The ministers held an exchange of views on the "Energy use of biomass of agricultural origin as an important element of the Common Agricultural Policy" ($\underline{13910/11}$).

All delegations welcomed the initiative from the Presidency to initiate a debate on how agriculture should contribute to the objectives of the EU 2020 Strategy concerning climate change.

On the role of CAP in supporting sustainable development of renewable energy sources in rural areas, a large majority of delegations recalled that the main role of agriculture in the EU is to provide food for European citizens and that any specific agricultural policy on biomass should not be detrimental to that objective. Such a policy should therefore focus on a better use of by-products and agricultural and the agri-food industry residues.

Many member states were in favour of the development of dispersed renewable energy sources using locally available biomass resources. They noted, however, that such resources should be planned correctly in order to ensure an efficient response to requirements.

Most member states highlighted that obtaining increasing quantities of biomass for energy purposes from distant locations (e.g.: by imports from third countries) was not desirable. Certain delegations pointed out that the exact carbon cost of such imports should be assessed first.

Many member states took the view that the CAP, in its second pillar dedicated to rural development, already provided for measures taking account of the EU climate objectives. They held that those measures should actually be implemented before further measures were proposed. However some delegations believed that further incentives could help producers to invest in the energy use of biomass of agricultural origin.

Finally, several delegations mentioned the importance of research and innovation in this area.

The debate initiated by the Presidency was based on the outcome of a conference which had taken place in Sopot, Poland, in July 2011. That conference was focused on the use of energy from renewable sources, with particular emphasis on biomass of agricultural origin, in rural areas.

At that conference, it was highlighted that the CAP, the European cohesion policy and the energy policy should foster the development of dispersed energy generation units fuelled by biomass from agriculture. In addition, the structure of agriculture in the majority of member states and the energy properties of biomass clearly show that it would be reasonable to use biomass locally, in its place of origin, i.e. in dispersed generation units. This could help to limit the EU's dependency on imports of energy biomass. With a view to implementing climate-related objectives and improving energy security, appropriate incentives could help the development of dispersed renewable energy sources using locally available biomass and other renewable energy carriers.

The CAP should reinforce the development of renewable energy sources based on agricultural biomass, in particular mini and micro-agricultural biogas plants, and, where possible, also regional agricultural biogas plants that encourage a reduction in greenhouse gas emissions and the costs of agricultural production by using by-products and residues from agriculture to generate energy.

However, the potential effects of biomass use on climate protection and greenhouse gas emission reductions should be assessed against the background of problems making it difficult to make full use of available by-products and residues from agriculture for energy purposes.

Research and support for implementing new technologies of biomass energy use that do not compete with the food market should constitute and important measure in the EU.

ANY OTHER BUSINESS

Crisis in the fruit and vegetables sector

Ministers took note of the request made by the French, Spanish, Italian and Greek delegations for a new regulation on the fruit and vegetables markets (14214/11)

Some member states supported this initiative which proposed a series of measures drawing lessons from the recent difficulties faced by the sector and increasing EU's responsiveness such as

- renewed crisis and risk management instruments;
- greater market transparency;
- improved organisation of production;
- more effective entry price mechanisms.

The Commission explained how elements of this proposal have already been taken into account, e.g. in the Commission proposal on promotion and communication with a specific budget dedicated to fruit and vegetables. The new proposals on the reform of the CAP would contain additional elements to meet the concerns that were presented by delegations, including a new income stabilisation instrument. A report on this sector would alos be prepared in 2012.

It should be noted that the Commission recently announced its intention to increase the maximum level of support for withdrawals of peaches and nectarines.

Complementary national direct payments

The Czech Republic briefed the Council about a joint declaration (<u>14215/11</u>) signed by seven delegations (Bulgaria, Czech Republic, Hungary, Poland, Romania, Slovenia and Slovakia) in which they expressed their concern about the reduction in the level of complementary national direct payments (CNDPs), which could be paid to farmers in 2012 (budget year 2013). This declaration was supported by the Baltic countries (Latvia, Lithuania and Estonia), which also presented their own joint declaration on the same subject calling for the continued application of the current approach to granting CNDPs (<u>14280/11</u>).

The Commission reassured delegations that it was working in order to find an improved solution at the next Management Committee. The Commission also noted that from 2013 onwards, CNDPs would no longer be granted as the level of direct payments will have reached 100%.

Under Article 132 of regulation 73/2009, the level of direct payments in the new member states including CNDPs should not exceed the level of direct payments in the old member states as reduced by modulation. The Commission has explained to member states in the management committee that in 2012 direct payments in the old member states will be subject to a 10% modulation, and direct payments of more than EUR300.000 will be subject to an additional 4% reduction. At the same time, farmers in the new member states concerned (i.e.: all the new member states excluding Cyprus, Romania and Bulgaria) are set to achieve 90% of the phasing-in of direct payments, thus equalling the level of direct payments in the old member states (100%-10% modulation). The Commission therefore proposed in the management committee the following method for the calculation of CNDPs in 2012: if the global amount of all EU direct payments and CNDPs for which a farmer in the new member states concerned is eligible is over EUR5.000, then the level of CNDPs paid above the ceiling of EUR5.000 will be limited to EUR500. In the management committee, the new member states concerned contested these methods pointing out that it would lead to a reduction in the overall direct support received by some farmers considerably exceeding the rate of modulation applicable in 2012.

OTHER ITEMS APPROVED

FOREIGN AFFAIRS

EU Special Representative to the African Union

The Council updated the mandate of Mr Koen Vervaeke, EU Special Representative to the African Union, and extended it to 30 June 2012. It set the budget for expenditure related to the Special Representative and his team at EUR 715 000 for the period from 1 September 2011 until 30 June 2012.

ECONOMIC AND FINANCIAL AFFAIRS

EU guarantee for EIB external operations

The Council adopted its first-reading position on a draft decision extending an EU budgetary guarantee for the European Investment Bank's external operations to cover the remainder of the 2007-2013 financial framework. The Council's position reflects an agreement reached with the European Parliament. The Parliament is expected to adopt the decision in October at second reading.

For details see <u>12747/11</u>.

CONSUMER PROTECTION

Oral hygiene products - Use of hydrogen peroxide

The Council adopted a directive implementing an opinion of the Scientific Committee on Consumer Safety on the use of hydrogen peroxide in tooth-whitening products(<u>12899/11</u>).

The directive, which amends directive 76/768/EEC concerning cosmetic products, allows the continued use of hydrogen peroxide in a maximum concentration of 0.1% in oral products, including tooth whitening or bleaching products.

The use of tooth-whitening products containing concentrations of between 0.1% and 6% will require a clinical examination and an initial treatment by a dental practitioner after which consumers will be able to continue the treatment by themselves.

Bicycles - Safety requirements

The Council decided not to oppose the adoption by the Commission of a decision setting out specific safety requirements for the manufacturing and marketing of bicycles, including those for children $(\underline{13062/11})$.

Pursuant to directive 2001/95/EC, which lays down the procedure for drawing up European standards, the Commission is to set the specific safety requirements which European standards should satisfy and, subsequently, give a mandate to the European standardisation bodies to draw up those standards.

The draft decision is subject to the regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt it, unless the European Parliament objects.

<u>APPOINTMENTS</u>

Committee of the Regions

The Council appointed Mr John SHEAHAN and Mr Des HURLEY (Ireland) $(\underline{13645/11})$ and Mr Gilles ROTH (Luxembourg) $(\underline{13747/11})$ as members of the Committee of the Regions for the remainder of the current term of office, which runs until 25 January 2015.

WRITTEN PROCEDURES

Foreign Affairs - Libya: Sanctions

On 15 September, the Council lifted the freeze on the financial assets and economic resources of Afriqiyah Airways by written procedure. The airline had been subject to the EU's autonomous measures.