COUNCIL OF THE EUROPEAN UNION



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PRESS RELEASE

3161st Council meeting

Agriculture and Fisheries

Luxembourg, 26 and 27 April 2012

President Ms Mette GJERSKOV Minister for Food, Agriculture and Fisheries of Denmark



Rue de la Loi 175 B – 1048 BRUSSELS Tel.: +32 (0)2 281 8352 / 6319 Fax: +32 (0)2 281 8026 press.office@consilium.europa.eu http://www.consilium.europa.eu/Newsroom

Main results of the Council

Concerning agriculture, ministers had a public debate on the **regulation on direct payments** within the framework of the common agricultural policy (CAP reform). The specific issues discussed were: the special support schemes for young farmers, small farmers and farmers in areas with natural constraints, voluntary coupled support internal redistribution of direct payments, the 'active farmer" and capping of support to large farms.

As regards Fisheries, the ministers held a public debate on **regionalisation** and **transferable** *fishing concessions* within the framework of the Common fisheries policy (CFP) reform.

Finally, the Council was briefed on the protection of pigs in the member states, the communication on promotion measures for agricultural products, producer organisations in the fruit and vegetables sector, the market in milk and dairy products and on the transparency of information on food safety.

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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.

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PARTICIPANTS

Belgium: Ms Sabine LARUELLE

Mr Olivier BELLE

Bulgaria: Mr Tzvetan DIMITROV

<u>Czech Republic:</u> Mr Petr BENDL Mr Martin HLAVÁČEK

Denmark: Ms Mette GJERSKOV Mr Anders MIKKELSEN

Ms Hanne LAUGER

Germany: Ms Ilse AIGNER

Mr Robert KLOOS

<u>Estonia:</u> Mr Helir-Valdor SEEDER

Ireland: Mr Simon COVENEY

<u>Greece:</u> Ms Georgia BAZOTI-MITSONI Mr Andreas PAPASTAVROU

Spain: Mr Miguel ARIAS CAÑETE

France: Mr Philippe LEGLISE-COSTA Mr Stéphane LE MOING

<u>Italy</u> Mr Mario CATANIA

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

Latvia: Ms Laimdota STRAUJUMA

<u>Lithuania:</u> Mr Mindaugas KUKLIERIUS

<u>Luxembourg:</u> Mr Romain SCHNEIDER

Ms Michèle EISENBARTH

Hungary: Mr György CZERVÁN Mr Olivér VÁRHELYI

Malta: Mr George PULLICINO

<u>Netherlands:</u> Mr Henk BLEKER Minister for the Middle Classes, SMEs, the Self-Employed and Agriculture Deputy Permanent Representative

Deputy Minister for Agriculture and Food

Minister for Agriculture Deputy Minister for Agriculture

Minister for Food, Agriculture and Fisheries Deputy State Secretary, Ministry of Food, Agriculture and Fisheries Head of Office, Ministry for Food, Agriculture and Fisheries

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

Minister for Agriculture

Minister for Agriculture, Food and the Marine

Secretary General for Food and Agriculture Deputy Permanent Representative

Minister for Agriculture, Food and the Environment

Deputy Permanent Representative Head of International Relations, Ministry of Agriculture

Minister for Agricultural, Food and Forestry Policy

Minister for Agriculture, Natural Resources and Environment

Minister for Agriculture

Deputy Minister for Agriculture

Minister for Agriculture, Viticulture and Rural Development Deputy Permanent Representative

State Secretary, Ministry of Rural Development Deputy Permanent Representative

Minister for Resources and Rural Affairs

Minister for Agriculture and Foreign Trade

<u>Austria:</u> Mr Nikolaus BERLAKOVICH

Mr Harald GÜNTHER

<u>Poland:</u> Mr Marek SAWICKI Mr Andrzej BUTRA

<u>Portugal:</u> Ms Assunção CRISTAS

Mr José DIOGO ALBUQUERQUE

<u>Romania:</u> Mr Barna TANCZOS

<u>Slovenia:</u> Mr Branko RAVNIK

Mr Uroš VAJGL

<u>Slovakia:</u> Ms Magdalena LACKO-BARTOŠOVÁ

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

<u>Sweden:</u> Mr Eskil ERLANDSSON

<u>United Kingdom:</u> Mr Jim PAICE Mr Richard BENYON Federal Minister for Agriculture, Forestry, the Environment and Water Management Deputy Permanent Representative

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

Minister for Agriculture, Maritime Affairs, the Environment and Regional Planning State Secretary for Agriculture

State Secretary, Ministry of Agriculture and Rural Development

State Secretary at the Ministry of Agriculture and the Environment Deputy Permanent Representative

State Secretary, Ministry of Agriculture and Rural Development

Minister for Agriculture and Forestry

Minister for Rural Affairs

Minister of State for Agriculture and Food Parliamentary Under-Secretary of State, (Natural Environment and Fisheries)

<u>Commission:</u> Mr Dacian CIOLOŞ Ms Maria DAMANAKI Mr John DALLI

Member Member Member

The government of the acceding state was represented as follows:

<u>Croatia:</u> Ms Snježana ŠPANJOL

Deputy Minister for Agriculture

ITEMS DEBATED

AGRICULTURE

CAP reform - Direct payments

Ministers held a public debate on direct payments within the framework of the common agricultural policy (CAP) reform.

The first part of the debate focused on special measures proposed to support particular categories of farmers: young farmers, small farmers and farmers in areas with natural constraints.

With regard to scheme for young farmers, member states broadly agreed on the need to increase the support to this category of farmers, as currently only 6 % of all farmers across the EU were under the age of 35, raising concerns for the future of farming. Most delegations however preferred a voluntary scheme, with the possibility to set additional conditions at national level. Several delegations suggested a better articulation between first and second pillar criteria for young farmers.

Although delegations agreed in general on the proposal for measures relating to small farmers scheme as a genuine simplification, a majority of member states nevertheless preferred the scheme to be voluntary. A number of member states would not like small farmers to be completely exempted from cross compliance and greening requirements.

For farmers in areas with natural constraints, member states could accept the possibility of increased support, but wanted to look into how it would fit in with a similar programme under the rural development provisions. The delegations agreed with the Commission that this type of measure should stay voluntary.

As regards voluntary coupled support, several member states highlighted the importance of this support for specific farming sectors or regions as a response to economic, social and environmental difficulties. Some delegations regretted that this proposal went against past trend of CAP reform, to decouple support, while some others wanted the list of coupled sectors to be extended. The diverging views expressed by ministers led the Presidency to conclude that the Commission proposal seemed to strike a balance.

The second roundtable was organised on the definition of *active farmer*, the capping of direct payments to large farms and the internal redistribution of direct payments.

With regard to the 'active farmer' concept, there was broad support for the Presidency's suggestion to avoid undue administrative burdens, by not requiring member states to control the proportion of direct payments in the farmer's total income and to allow member states a greater margin of discretion. Many delegations were prepared to examine a Commission suggestion to establish an additional "negative list" of certain landowners who would be excluded unless they could prove that they were engaged in agricultural production.

The capping of the direct payments received by the largest farms in the EU is one of the issues in the current negotiations on the multiannual financial framework for 2014-2020. In respect of the technical aspects of capping, several delegations called for a simpler approach to calculation, while some member states remained opposed to the principle.

On internal redistribution, the Commission proposed that member states achieve a uniform level of direct payments at regional or national level by 2019. A considerable number of ministers had concerns about the impact of this proposal and underlined the need to proceed carefully. The need for greater flexibility and appropriate transitional periods was also highlighted. The presidency conclusions from March 2011 (7921/11) already identified the need for flexibility at national/regional level, with appropriate transitional periods to avoid disruptive financial consequences.

The CAP reform package was presented by the Commission at the Agriculture Council meeting in October 2011. The Council had already held policy debates on the CAP reform relating to the proposals for regulations on direct payments, rural development and on the single common market organisation during the three last Agriculture Council meetings in November and December last year and January this year. In March this year ministers debated the simplification of the CAP.

The Presidency intends to organise further policy debates on thematic issues such as the greening of the CAP in May and the rural development policy in June.

FISHERIES

Reform of the common fisheries policy

The Council held a public debate in the framework of the common fisheries policy (CFP) reform. The discussion focused on regionalisation and transferable fishing concessions TFCs, two specific issues raised in the proposal for a regulation on the CFP covering the basic provisions of the CFP (12514/11).

Regionalisation

A large majority of member states welcomed regionalisation as a flexible approach to adapt to the diversity of regions and countries in the EU. They considered the approach appropriate to tackle in particular multiannual plans but also technical measures. However questions subsisted on the best way to balance the empowerment of member states within the regionalisation and a model where the final decisions remain within a EU framework. Most of member states would like the last word to remain at the EU level in order to ensure a level playing field.

Delegations agreed that the work of the advisory councils (ACs) would be an important element of consultation feeding into the preparation of regional positions, as well as relevant legal acts. Many delegations considered that their advisory role should be reinforced. While strengthening the regional approach there is a need to consider if the structure of the ACs should be revised, including the balance between the fishing sector, including representatives of employed fishermen and other interest groups such as environmental organisations and consumers.

Several member states supported a joint declaration of Belgium, Denmark, France, Germany, Ireland and the United Kingdom (<u>8965/12</u>) elaborating a proposal for the process of decision within the framework of regionalisation. Details of fisheries management would be discussed with stakeholders; ACs would play a key role in the discussion alongside the member states, in particular in the establishment of multi-annual plans. In case of unanimous agreement among member states the Commission would use implementing acts to adopt the measures but in case of disagreement, measures would be proposed by the Commission for decision by the Council or by the Council and the European Parliament as appropriate.

Transferable fishing concessions (TFCs)

Views differed concerning the opportunity to introduce mandatory TFCs in the EU. Most delegations considered that such a scheme should only be established on a voluntary basis to allow an adaptation to the situation of each country. Many member states mentioned the threat TFCs could impose on coastal communities and small scale fisheries. Some delegations feared that TFCs could trigger an excessive ownership concentration of fishing rights and would prefer TFCs not being exchangeable between member states in order to avoid jeopardising the relative stability system.

The efficiency of TFCs in reducing the fishing fleet overcapacity was questioned by many delegations. Some delegations thought that the European maritime and fisheries fund (EMFF) should continue to tackle overcapacity.

The Commission proposal on the basic provisions of the CFP considers that conservation of marine biological resources is key to achieving the objectives of the CFP; it envisages the reinforcement of multi-annual management plans to manage resources at levels that are capable of producing maximum sustainable yield (MSY), and the ending of the practice of discards. To regulate access to resources better it also introduces a system of transferable fishing concessions, which could constitute a major driver for fleet capacity adjustment. It points out that reliable and full data, both for scientific advice and for implementation and control purposes, is central to well-functioning fisheries management. The proposal establishes that CFP should support the development of the aquaculture industry through strategic planning, alongside the new focus on aquaculture contained in the proposal on a European maritime and fisheries fund.

In addition to the orientation debates on regionalisation and the TFCs, ministers debated during their lunch on socio-economic aspects of the CFP reform, in particular the EU priorities among the proposed objectives and associated measures (small-scale fisheries, the creation of jobs and social cohesion in coastal and inland communities) and the necessary measures and financial support needed.

In July 2011, the Council held an initial public exchange of views on Commission proposals for the reform of the CFP.

Concerning the CFP reform, the Council already held policy debates during the March Council on the three main proposals for regulations in the CFP reform "package": basic provisions of the CFP, common organisation (CMO) of the markets in fishery and aquaculture products and the EMFF.

In the Council meeting in March, an orientation debate on the proposal for a regulation on the CFP was focused on the issue of a discard ban.

A further orientation debate is planned on MSY and integration of environmental requirements, as well as the issue of the EMFF during the May Council.

OTHER BUSINESS

Animal welfare - protection of pigs

The Commission briefed the Council on the deadline for the new animal welfare requirements foreseen in directive 2008/120 laying down minimum standards for the protection of pigs (<u>8661/12</u>).

Several member states together with the Commission pointed out the need to comply with the deadline for implementing new mandatory requirements concerning pregnant sows. They considered that there was a strong demand from consumers on this issue and that everything should be done to avoid any distortion of competition between member states on 1 January 2013.

New housing requirements were introduced by directive 2001/88 amending directive 91/630. They include, among others, the requirements for mandatory group housing for sows, permanent access to materials for rooting for sows and gilts, and new minimum requirement for flooring surfaces. The Commission focused on the requirement of group housing of sows. This requirement should be implemented by member states as from 1st January 2013.

Promotion measures for agricultural products

Ministers were briefed by the Commission on a communication on promotion measures and information provision for agricultural products: a reinforced value-added European strategy for promoting the tastes of Europe ($\underline{8441/12}$).

In July 2011, the Council had held a public exchange of views concerning the green paper entitled "promotion measures and information provisions for agricultural products: a reinforced value-added European strategy for promoting the tastes of Europe". The consultation on the promotion of agricultural products was welcomed by member states as a necessary measure to inform EU citizens and foreign countries about the high standards and quality of EU products. However, several delegations stressed the need for a simpler and quicker procedure to activate the system, in particular in case of crisis. The consultation launched by the Commission on this issue ended on 7 October 2011.

On 15 and 16 December 2011, the Agriculture and Fisheries Council adopted conclusions on the future of the agricultural promotion policy (*18528/11*), which encouraged the Commission to explore all possible ways of achieving the objectives of the reform of EU information and promotion policy.

The Commission pointed out the need to improve the EU promotion system for agricultural products in order to meet the challenges: promote the quality of EU products in foreign countries, make the policy more attractive, simplify access to the schemes and strengthen the consistency of actions.

This communication should be followed by a legislative proposal to be published at the end of the year.

Producer organisations in the fruit and vegetables sector

The Council was briefed by the Hungarian delegation, supported by the Bulgarian, Latvian, Lithuanian, Polish, Romanian, Slovenian and Slovak delegations, on the financing of producer organisations in the fruit and vegetables sector (<u>8828/12</u>).

The reform of the fruit and vegetables sector in 2007 reaffirmed the important objective of continuing to strengthen producer organisations (POs). Supporting POs had proved particularly important from 2007 to 2013 in member states with a low level of concentration of producers.

A Commission regulation had been adopted beginning of April 2012 decreasing the EU cofinancing rate of PO support. In Hungary's view, this jeopardised one of the main objectives of reform of the fruit and vegetable common market organisation. Furthermore, it was not in line with the proposals for the CAP reform, which planned an increase in financial support to POs.

As the Commission saw it, setting a financial limit for this support has been necessitated by the strong increase in expenses for supporting POs observed from 2007 to date. The limit will not apply to plans for POs already adopted but only to future plans proposed.

Market in milk and dairy products

The Polish delegation briefed the ministers on the consequences of the current situation for the market in milk and dairy products (9056/12).

Several member states supported the Polish request to the Commission for market measures to respond to the decreasing prices in the milk and dairy market.

Since the beginning of 2012, a drop in the demand for dairy products on world markets has led to a significant decrease in market prices for these products between January 2012 and April 2012 in Poland. Domestic demand for dairy products has been unable to absorb the developing surpluses, which means that stocks of dairy products in Poland are growing.

Poland considered that the current intervention price was too low for changing production conditions, which could impede the efficiency of intervention. Poland asked the Commission to adopt measures as soon as possible such as reintroducing export refunds and, in the longer term, to increase intervention prices for butter and skimmed milk powder.

The Commission was closely following the evolution of the milk market and was aware of the current situation. It declared itself ready to activate appropriate measures when it considered that there was a need, which was not the case now.

Transparency of information in food safety

The Czech Republic briefed the Council on access to transparent information among member states as regards food safety (9066/12).

The Czech delegation highlighted the importance of information exchange between member states and the EU through the rapid alert system for food and feed (RASFF) on the occasion of recent food crises such as the use in food of industrial salt and adulterated egg powder. Poland explained that the RASFF had not been activated for the use of industrial salts in food because this fraud was not assessed as a food safety issue. As regards adulterated egg powder, the RASFF had been properly activated. The Commission reminded delegations that they did have the option of requesting administrative support in the event of a disagreement between member states on such an issue.

Insecticide toxicity on honeybee health

Ministers were briefed by the French delegation about the toxicity of the active substance thiamethoxame on honey bees (9191/12)

An article published in March in the scientific newspaper Science detailed the possible sub-lethal effects of the active substance thiamethoxame on bees (*Apis mellifera*). This substance is an insecticide included in various plant protection products authorised and used in several member states for the treatment of rape seeds or maize.

The French delegation wanted the new data to be taken into account in the EU assessment for pesticide substances and the behaviour of non-target species, in particular for bees, to be evaluated in the assessment process.

The Commission recalled the creation of a European reference laboratory dedicated to honeybees, and its request to collect more data from the member states on behive losses. An assessment had been requested from the EFSA of the effects of certain types of insecticides on the basis of new studies.

OTHER ITEMS APPROVED

AGRICULTURE

Imports of high-quality beef from the USA and Canada

The Council adopted regulation 617/2009 opening an autonomous tariff quota for imports of highquality beef following a first reading agreement with the European Parliament (6/12). This text will finally bring to an end the long-lasting trade dispute between the EU, the USA and Canada on the use of "hormones" in beef within the framework of the World Trade Organisation (WTO). By this regulation, the EU has opened an additional autonomous tariff rate quota for high-quality beef that is not treated with hormones. At the same time, the USA has withdrawn sanctions on EU products.

For further details, see <u>9178/12</u>.

ECONOMIC AND FINANCIAL AFFAIRS

Derogation from the VAT directive for Romania - Road vehicles

The Council adopted a decision authorising Romania to introduce a measure derogating from directive 2006/112/EC on value-added tax (VAT) for the non-business use of road vehicles $(\underline{7956/12})$.

The measure involves a 50% deduction of VAT, under certain conditions, for the purchase, acquisition, importation, hire or leasing of vehicles with a laden mass of maximum 3 500 kg and no more than nine seats, and where the vehicle is not used exclusively for business purposes.

The Council's decision will expire upon entry into force of EU rules on expenditure relating to road vehicles that is not eligible for the full deduction of VAT, or on 31 December 2014, whichever is earlier.

JUSTICE AND HOME AFFAIRS

Right to information in criminal proceedings

The Council adopted a directive on the right to information in criminal proceedings (<u>*PE-CONS*</u> <u>78/11</u>). On 13 December 2011 the European Parliament had already given its green light to the compromise text reached between both institutions.

The main goal of the directive is to ensure that any person who is suspected or accused of having committed a criminal offence is provided with information concerning his or her fundamental procedural rights, as well as information on the accusation against him or her - including access to the materials of a case.

For more details see press release <u>9111/12</u>.

<u>EMPLOYMENT</u>

Employment guidelines

The Council adopted a decision approving the guidelines for the employment policies of the member states for 2012 (7946/12).

The employment guidelines were adopted in 2010^1 in principle for a duration of four years. The guidelines for 2012 will be maintained unchanged and must be taken into account by the member states in their employment policies.

¹ Council decision 2010/707/UE of 21 October 2010 on guidelines for the employment policies of the member states (<u>OJ L 308, 24.11.2010, p. 46</u>).

TRANSPORT

Colour specifications for certain road transport documents

The Council decided not to oppose adoption by the Commission of three amending regulations specifying more precisely the colours of certain official documents required for the access to the occupation of road transport operator ($\underline{6882/12}$), to the international road haulage market ($\underline{6883/12}$) and to the international market for coach bus services ($\underline{6890/12}$).

The documents concerned are the model certificate of professional competence under regulation 1071/2009, the Community licence model for the international carriage of goods by road under regulation 1072/2009 as well as the driver attestation model linked to that licence, and the Community licence model for the international carriage of passengers by coach and bus under regulation 1073/2009.

The draft regulations are subject to the regulatory procedure with scrutiny; now that the Council has given its consent, the Commission may adopt them, unless the European Parliament objects.

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