



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 18 September 2012**

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**NOTE**

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From: General Secretariat  
To: Delegations

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No. Cion prop.: 15397/2/11 REV 2 - COM(2011) 626 final/3

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Subject: Proposal for a Regulation of the European Parliament and of the Council  
establishing a common organisation of the markets in agricultural products  
(Single CMO Regulation) (*CAP Reform*)  
- *Presidency questionnaire*

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With a view to structure the debate in Council ("Agriculture and Fisheries") at its session on 24-25 September 2012, delegations will find attached in Annex the questionnaire drawn up by the Presidency.

**Presidency questionnaire**  
**Single Common Market Organisation**

The SCMO Commission proposal<sup>1</sup> provides a safety net of market management measures (public intervention, private storage, exceptional measures and export refunds) to enable farmers to withstand excessive price volatility and market disturbances, and to balance the supply chain. This includes improvements to strengthen the safety net through the automatic tendering for public intervention for skimmed milk powder and butter and through more responsive private storage aid.

In its Progress report<sup>2</sup>, the Danish Presidency noted that delegations generally support the safety net function of the market management measures proposed. However a number of delegations call for further adjustments, particularly the introduction of a mechanism to update the level of reference prices, whereas other delegations support the Commission proposal<sup>3</sup>.

The Presidency has further noted that the request for such a mechanism is driven by concerns about increasing input and production costs and about the need for the EU to have more flexibility in the future to adjust the level of intervention prices and/or trigger prices as appropriate.

The Presidency has also noted that for those delegations that support the Commission proposal, such a mechanism would go beyond the safety net function of the reference price and would imply an increase in the budget.

The Commission considers that it would potentially also have implications under WTO rules.

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<sup>1</sup> 15397/2/11 REV 2  
<sup>2</sup> 8949/12 + COR 1  
<sup>3</sup> 8949/12 + COR 1, points 34 + 35

The Presidency is open to exploring this issue further and would in particular invite delegations to clarify their positions on the basis of the following questions:

- 1) Does the Commission proposal strike the right balance in providing an effective safety net?
  
  - 2) Taking account of potential budgetary and WTO implications, are you in favour of updating reference prices (and of a mechanism to do so)? Would this increase the effectiveness of the safety net? In which sectors and under what conditions?
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