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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) (<i>CAP Reform</i>) - <i>Joint paper from the Czech Republic, Denmark, Germany, Estonia, Sweden and UK</i>

Delegations will find in Annex a joint paper from the Czech Republic, Denmark, Germany, Estonia, Sweden and UK.

CAP REFORM: SINGLE CMO REGULATION

The UK, Sweden, Denmark, the Czech Republic, Germany and Estonia agree to the following paper on the draft proposals for the Single Common Market Organisation Regulation.

Objective

Reform of the Single CMO Regulation should promote enhanced market orientation, whilst continuing to provide a genuine safety net for severe market disturbance and measures that can help producers to co-operate without distorting the internal market.

Principles

- Intervention prices and crisis management should be maintained at genuine safety net levels.
- We should not introduce new financial aids or reintroduce aids which have already been phased out unless they are replaced by more market-orientated instruments.
- Co-operation through recognised producer organisations and inter-branch organisations should conform with EU competition rules.
- Individual Member States should decide if there is a need for formal recognition of producer organisations and inter-branch organisations in their territory.
- Crisis aid should only be granted in the event of a genuine crisis where the other measures in the SCMO Regulation are insufficient. Any use of crisis aid should avoid negative impacts on the market and third parties, particularly developing countries

Detail

1. Intervention prices should be maintained at current levels. This ensures that public intervention is used only when prices fall and there is a risk of significant market disruption. The 2009 dairy crisis showed that the existing system of intervention still has a role to play when there is a real crisis.
2. Producer organisations can help to optimise production costs, improve market transparency and production planning, and improve producers' margins in an environment of high input costs. However, the CAP policy framework for enhanced co-operation between farmers must conform with the spirit of competition law in the agricultural sector. This is necessary to avoid significant negative impacts, such as the partitioning of markets, distorting or eliminating competition at national or EU level, or creating discrimination, which would undermine the internal market and adversely affect consumers.

3. In some cases, inter-branch organisations may help to improve transparency and understanding within a specific agricultural sector. However, they should not engage in market activities or undermine the operation of the internal market.
 4. Recognition of producer and inter-branch organisations in different agricultural sectors should be left to Member States to decide according to national circumstances and requirements.
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