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## OUTCOME OF THE COUNCIL MEETING

3514th Council meeting

### Agriculture and Fisheries

Brussels, 23 January 2017

President **Roderick Galdes**  
Parliamentary Secretary for Agriculture, Fisheries and  
Animal Rights

# P R E S S

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

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- <sup>1</sup>
- 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>).
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## **ITEMS DEBATED**

### **Work programme of the Presidency**

The Maltese Presidency presented its work programme and outlined its main priorities in the field of agriculture and fisheries.

As concerns agriculture, the Presidency will closely monitor the situation of agricultural markets and make sure that the Council is regularly updated on ongoing trade negotiations. It will also lead discussions on the Omnibus proposal and facilitate progress with regard to the organic production file. Another focus of the Presidency will be exploring ideas on how to adapt agriculture to climate change and favour research and innovation in the field of water management. This will be the central theme of the informal meeting of agriculture ministers scheduled for 22 and 23 May 2017.

Concerning forests, the Presidency will work to promote internationally sustainable forest management and trade in legally produced timber. It will also coordinate the Council position at the 12th session of the United Nations forum on forests in May 2017.

In the veterinary and phytosanitary sector, horizontal priority will be given to emergency preparedness for plant and animal health. The Presidency will also focus on antimicrobial resistance and endeavour to make substantial progress on the regulations on veterinary medicinal products and medicated feed.

Finally, in the common fisheries policy sector, the Presidency will contribute to the Commission MedFish4ever strategy for the Mediterranean Sea, which will culminate in an event in Valletta on 29 and 30 March 2017. It will also work towards the adoption of a number of key legislative texts such as: the technical measures regulation, the ICCAT transposition, the regulation on sustainable management of external fishing fleets, the proposed multi-annual plans for demersal stocks in the North Sea and small pelagic species in the Adriatic Sea, and any other multi-annual plans that may be proposed by the Commission during the first half of the year.

## **International trade issues**

The Commission updated the Council on ongoing trade negotiations of relevance to agriculture. The Council also had the opportunity to exchange views on the EU trade strategy towards third countries in the light of the Commission study on the cumulative impact of free trade agreements (FTAs) on the EU agricultural sector.

Ministers generally acknowledged the importance and potential economic benefits of ambitious FTAs, but asked for a balanced approach and for caution in negotiations, especially as far as sensitive sectors were concerned. They also warned against watering down the high level of EU standards in food safety, animal welfare, and environmental and social protection. Many also asked for the protection of geographical indications and reciprocity in concessions.

The Council considered the [Commission study](#) on the cumulative effects of concessions made in the context of free trade agreements on the EU agricultural sector, as an important contribution to the debate on trade. A number of delegations also highlighted some of its shortcomings, such as the fact that it did not cover all sectors, processed or high added-value produce, non-tariff barriers, or other forms of concessions granted in past negotiations.

In a joint written note, 13 member states called on the Commission to undertake a global review of the results achieved or expected to be achieved by FTAs in the agricultural sector, with particular emphasis on concessions related to sensitive products and the impact on sensitive sectors.

The Commission study on the cumulative effects of FTAs on EU agriculture covers 12 future trade agreements on the agri-food sector and their impact on producer prices and production volumes for a range of products accounting for 30% of the value of EU exports in the sector. The results of the study highlight that significant gains can be anticipated for the EU dairy and pig meat sectors, but also show vulnerabilities for beef and rice, both in terms of trade effects and a decline in producer prices.

The results of the study were announced by Commissioner Hogan at the meeting of the Agriculture and Fisheries Council in February 2016 and presented to the Council in November 2016.

The AoB point on the announced opening of trade negotiations between the EU and New Zealand was also considered jointly with international trade issues (see below).

## **Market situation and the milk package report**

The Commission briefed the Council on the current situation of the main agricultural markets, and on the implementation of the latest package of support measures.

In response to a continuing crisis affecting several agricultural sectors – notably the dairy, pig meat and fruit and vegetables sectors – the Council endorsed three consecutive packages of support measures for farmers in September 2015, March 2016 and July 2016 (implemented in September 2016).

The Commission also presented its [second report on the implementation of the 'Milk Package'](#), released in November 2016, and the results of the EU sheep meat forum.

The Council broadly agreed with the Commission's assessment of the market situation. It acknowledged that the majority of agricultural sectors were experiencing some recovery but that volatility remained high. Ministers therefore urged the Commission and the Council to keep monitoring the markets and to be ready to intervene if that proves necessary. They also said that though the September package of measures had proved to be very useful, it was too early to fully assess its impact. Several member states advocated action aimed at rebalancing relations in the food supply chain, in the light of November 2016 report of the Agricultural Markets Task Force.

Concerning the Milk Package, the Council was generally positive with regard to the beneficial impact of its measures and the possibility of extending it beyond 2020 in its present voluntary form.

The Milk Package consists of a series of measures launched in 2012 following the milk crisis of 2009, intended to strengthen the position of European dairy producers in the supply chain and prepare the sector for a more market-oriented and sustainable future. It applies until 30 June 2020.

The Commission report shows that after three years of implementation, European farmers are increasingly using the tools provided by the Milk Package, such as collective negotiation of contract terms via producer organisations (POs), and the use of written contracts. However, two key instruments – producer organisations and collective negotiations – are not yet fully exploited by member states, producers' and farmers' organisations. Member states in particular are encouraged to take the necessary steps to foster the creation of POs and to expand the role of inter-branch organisations (IBOs).

For the full potential of the Milk Package's possibilities to materialise, the report concludes that an extension of its application beyond 2020 should be considered.

Finally, concerning the results of the EU sheep meat forum, delegations welcomed the Commission initiative and the increased support announced for its promotion in the future.

The EU sheep meat forum brought together participants from member states that produce significant amounts of sheep meat, as well as representatives of producers, processors and traders in sheep meat in the EU. It organised a series of workshops in 2015-2016, the outcome of which was summarised in a series of [policy recommendations](#).

The AoB point on the outbreak of avian influenza and its effects on egg production and labelling was also considered jointly with international trade issues (see below).

**Any other business**

- ***Conclusions of the 40th Conference of Directors of Paying Agencies, Bratislava, 12–14 October 2016***

The Slovak delegation presented the conclusions of the 40th conference of EU paying agency directors, which took place in Bratislava from 12 to 14 October 2016.

Conferences of the paying agency directors take place every six months, in the member state holding the EU presidency at the time. The conference programme usually includes bilateral exchanges of experiences, plenary sessions, presentations and workshops.

The key topics of the 40th conference in Slovakia were the simplification of the CAP post-2020/2017 and anti-fraud and anti-irregularity issues.

- ***Opening of trade negotiations between the EU and New Zealand***

The Polish delegation expressed its concerns regarding the opening of trade negotiations with New Zealand, in particular in relation to possible negative consequences for EU agriculture of the liberalisation of imports of dairy products. In particular, Poland asked for the dairy sector to be excluded from liberalisation under the planned free trade agreement with New Zealand.

Several member states shared Poland's concerns and asked the Commission to take a cautious approach in any future negotiations.

This AoB point was discussed in the context of the exchange of views on international trade issues.



– *Exceptions from the rules on protected designation of origin for wines*

The Slovenian delegation presented its concerns and sought legal clarification in relation to a Commission draft delegated act granting wine producers from another member state an exception allowing them to use, in the labelling of their wine, the name of a grape variety (Teran), which is also a wine benefitting from a protected designation of origin in Slovenia.

The Slovenian delegation insisted on the economic and political nature of the issue, warned against its impact on the confidence in the EU system of protected denominations, and asked the Commission to reconsider its decision.

The Commission explained that exceptions of a similar nature already existed and were allowed under the CMO regulation. Although the Slovenian request could not be agreed on, the Commission restated its commitment to the protection of EU geographical indications.

– *Outbreak of avian influenza and related effects on egg production and labelling*

The Dutch delegation drew the attention of the Council to the outbreak of highly pathogenic avian influenza (HPAI) in several EU countries since October 2016, and to its effects on the animal health situation of birds and poultry, animal welfare, farmers with commercial poultry holdings and trade.

The Netherlands elaborated on the consequences of prolonged mandatory confinement of poultry on organic and free-range egg production and on the potential economic losses for producers. In particular it called on the Commission to consider a one-time derogation from regulation 589/2008 to facilitate an extension of the 12-week confinement period without the consequent mandatory labelling of eggs as barn eggs. Many delegations supported the Dutch request.

This AoB point was discussed in the context of the debate on the market situation.

## **OTHER ITEMS APPROVED**

### **FISHERIES**

#### **Fishing opportunities in the Baltic Sea: Council adopts amendment to regulation**

The Council adopted a Council regulation amending the regulation fixing fishing opportunities for 2017 in the Baltic Sea ([5117/17](#)).

The amendment introduces an exemption from the seasonal closure for Western cod for vessels less than 15 metres in length, except pair trawling vessels which are equipped with a vessel monitoring system in accordance with article 9(2) of regulation [1224/2009](#), in areas where the water is less than 20 metres deep.

The Council agreed on 2017 total allowable catches (TACs) for the 10 most commercially important fish stocks in the Baltic Sea on 10 October 2016.

At that time, the following reductions in fishing opportunities were also agreed on: -25% for Eastern cod, -56% for Western cod including bag limit provisions for recreational fisheries, -11% for herring in the Gulf of Riga and -20% for salmon in the Gulf of Finland.

The agreement also included an increase in catches for herring (except in the Gulf of Riga), plaice, and salmon (except in the Gulf of Finland), a smaller increase for sprat and no increase for salmon in the main basin.

### **JUSTICE AND HOME AFFAIRS**

#### **Europol - Georgia**

The Council adopted an implementing decision approving the conclusion by Europol of an agreement on operational and strategic cooperation between Georgia and Europol ([10343/1/16](#)).

#### **Insolvency proceedings**

The Council adopted a regulation replacing annexes A and B to regulation (EU) [2015/848](#) on insolvency proceedings. This adoption follows the vote at first reading by the European Parliament on 14 December 2016 and therefore marks the end of the legislative procedure. The legislation will enter into force once published in the Official Journal.

The main purpose of the regulation on insolvency proceedings is to put in place rules on the jurisdiction governing the opening and subsequent administration of insolvency proceedings in the EU, and to set rules for the recognition in other member states of those insolvency proceedings and their enforcement.

The regulation includes as annexes lists of insolvency proceedings and insolvency practitioners relevant to its application. Annex A lists the insolvency proceedings referred to in point (4) of article 2 of the regulation while annex B lists the insolvency practitioners referred to in point (5) of article 2.

In December 2015, Poland notified the Commission of a substantial reform of its domestic law on restructuring and requested a modification of the lists set out in annexes A and B to the regulation accordingly.

## **INTERNAL MARKET**

### **Chemicals - Classification and labelling**

The Council decided not to oppose the adoption by the Commission of a regulation amending regulation 1272/2008 on classification, labelling and packaging of substances and mixtures for the purposes of its adaptation to technical and scientific progress ([14345/16](#) and [14345/16 ADD1](#)).

Article 53 of [regulation 1272/2008](#) provides for the procedure to amend the annexes of that regulation.

The Commission regulation 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.

### **Explosives precursors: aluminium and magnesium powder and magnesium nitrate hexahydrate**

The Council decided not to object to the adoption by the Commission of three regulations with a view to adding aluminium powder ([15169/16](#)), magnesium nitrate hexahydrate ([15170/16](#)) and magnesium powder ([15171/16](#)) to the list of explosives precursors that will require new reporting obligations under regulation 98/2013.

Explosives precursors are chemicals which may be used for the illicit manufacture of home-made explosives. [Regulation 98/2013](#) established harmonised rules on the making available, introduction, possession and use of substances or mixtures that could be misused for the illicit manufacture of explosives.

The aim is to limit their availability to the general public and ensure the appropriate reporting of suspicious transactions throughout the supply chain.

The new regulations are delegated acts pursuant to article 290 of the Treaty on the Functioning of the EU. The acts can now enter into force, unless the European Parliament objects.

### **Chemicals in toys - Bisphenol A and phenol**

The Council did not oppose the adoption by the Commission of two directives amending the [toys safety directive](#) to lower limit values for bisphenol A ([14899/16](#)) and phenol ([15374/16](#)) when used in toys, with the purpose of ensuring adequate protection of children.

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

### **EXPORT CREDITS**

#### **OECD arrangement - Market benchmark pricing rules**

The Council approved the position to be taken by the EU in the working party of participants to the OECD arrangement on officially supported export credits as concerns market benchmark pricing rules ([15687/16](#)).

**TRADE POLICY****Generalised tariff preferences - Tonga and Ukraine**

The Council decided not to object to a Commission regulation amending annex II to regulation 978/2012 applying the EU's scheme of generalised tariff preferences (5203/17 + [15366/16](#)).

The Commission regulation amends the list of beneficiary countries of the generalised scheme of preferences (GSP) by removing Ukraine and reinserting Tonga. Ukraine ceases to benefit from GSP preferences as EU-Ukraine free trade provisions have been applied provisionally since 1 January 2016. Tonga is reinserted as it has been classified by the World Bank as a lower-middle-income country.

The regulation is a delegated act pursuant to article 290 of the Treaty on the Functioning of the European Union. It can now enter into force, unless the European Parliament objects.

**ENERGY****Tolerances in verification procedures**

The Council decided not to not to raise objections to a Commission delegated regulation with regard to the use of tolerances in verification procedures ([15265/16](#) + *ADD 1*). The aim of the regulation is to replace the existing verification annexes to the ecodesign and energy labelling legislation.

The new annexes clarify the intended use of verification tolerances by requesting that member state authorities, when checking that a product complies with the requirements set out in the regulation, look for suppliers misusing the verification tolerances in various ways. If they detect misuse of this type, the authorities must declare the product non-compliant on these grounds.

The Commission and the European Parliament will be informed of the Council decision. Therefore, unless the European Parliament objects to it, the delegated act shall be published and enter into force in accordance with article 13 of directive 2010/30/EU <sup>1</sup>.

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<sup>1</sup> OJ L 153, 18.6.2010.

## Network code on transmission tariff for gas

The Council decided not to oppose the adoption of a Commission regulation establishing a network code on harmonised transmission tariff structures for gas ([14003/16](#)). The regulation also includes rules on the application of a reference price methodology, the associated consultation and publication requirements, and the calculation of reserve prices for standard capacity products.

Its aim is to contribute to market integration, enhance security of supply and promote interconnection between gas networks.

The Commission act is subject to the regulatory procedure with scrutiny<sup>1</sup>.

This means that now that the Council has given its consent, the Commission may adopt it, unless the European Parliament objects.

## **TRANSPORT**

### **Port services**

The Council adopted a regulation establishing a framework for the provision of port services and common rules on the financial transparency of ports ([PE-CONS 41/16](#)). The new rules are intended to make ports more efficient and ensure fair competition in this crucial sector that accounts for up to 3 million jobs. They aim to boost the competitiveness of European ports both by promoting short sea shipping as an alternative to congested roads and vis-à-vis ports located in non-EU countries. More competitive facilities and processes should also reduce costs for transport users.

The United Kingdom voted against.

Statements issued on the adoption of the regulation: [5162/1/17 REV 1 ADD 1 REV 1](#)

[More efficient port services: Council adopts reform](#) (press release)

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<sup>1</sup> Council decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission (*OJ L 184, 17.7.1999*), as amended by decision 2006/512/EC (*OJ L 200, 22.7.2006*)

## **DEVELOPMENT COOPERATION**

### **International Cotton Advisory Committee - EU accession**

The Council agreed on a draft decision on EU accession to the International Cotton Advisory Committee (ICAC) and decided to ask the European Parliament for its consent ([15516/16](#)).

The Commission negotiated EU accession to the ICAC on the basis of a mandate given by the Council in September 2013.

[International Cotton Advisory Committee](#)

## **TRANSPARENCY**

### **Public access to documents**

On 23 January 2017, the Council approved:

- the reply to confirmatory application No 24/c/01/16 (doc. [13672/16](#))