



Council of the
European Union

153685/EU XXV. GP
Eingelangt am 11/09/17

Brussels, 11 September 2017
(OR. en)

12043/17

AGRI 465
AGRIFIN 87
AGRIORG 84
DELECT 153

COVER NOTE

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	8 September 2017
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union

No. Cion doc.:	C(2017) 5993 final
Subject:	COMMISSION DELEGATED REGULATION (EU) .../... of 8.9.2017 amending Delegated Regulation (EU) 2017/1165 as regards the temporary exceptional support measures for producers of peaches and nectarines in Greece, Spain and Italy

Delegations will find attached document C(2017) 5993 final.

Encl.: C(2017) 5993 final



EUROPEAN
COMMISSION

Brussels, 8.9.2017
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COMMISSION DELEGATED REGULATION (EU) .../...

of 8.9.2017

amending Delegated Regulation (EU) 2017/1165 as regards the temporary exceptional support measures for producers of peaches and nectarines in Greece, Spain and Italy

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE DELEGATED ACT

By letters received from the Spanish Ministry and AREFLH on 3 and 4 August 2017 respectively, the Commission services have been informed on a severe market disturbance in peaches and nectarines, due to the high level of production and stocks impacting prices, especially in Spain (Catalonia and Aragon), Italy (Emilia-Romagna) and Greece.

The Commission services convened a technical meeting on 8 August 2017 with the representatives of the sector (AREFLH and Italian, Spanish, French and Greek producers' organisations) with a view to assessing the market situation and getting direct feedback. Spanish producers request that an additional quantity of 40 000 tonnes of peaches and nectarines should be added for withdrawals under Delegated Regulation (EU) 2017/1165 on the temporary and exceptional measures (the so-called 'Russian ban' regulation). Italian and Spanish stakeholders also confirmed that producer organisations already implemented the crisis prevention and management measures under their operational programmes and used the exceptional and temporary measures ('Russian ban' regulation): no margin of manoeuvre to withdraw further quantities remains at their disposal.

On 9 August 2017, the Commission services received an official request from the Italian authorities asking the Commission to take measures in order to mitigate the market situation for peaches and nectarines.

According to the available data, the market situation and in particular the prices, are very similar to the one which existed in 2014 when the Russian embargo was introduced, especially in Spain. This negative evolution and its size was not anticipated by stakeholders during the first part of the peaches and nectarines marketing year and till early August 2017.

The Commission services do not expect that the overall market situation in peaches and nectarines will recover by the end of September 2017 (usual end of the production period for these products). Besides, export to third countries is not really feasible due to the perishable characteristic of the produce. The situation got worse by the fact that export to Belarus (traditional third country market during this period for these products) is severely impacted following the introduction of SPS measures as from 1 July 2017.

Although there is a gradual opening of new destinations for EU fruit, in particular Asian (China, India, Vietnam) and American countries (US, Canada), to replace the huge Russian market is difficult. This is specially so for peaches and nectarines, whose total EU exports fell significantly since 2016 by around 51% in volume and 57% in value, bearing in mind that Belarus is now the first exporting market for these products.

In view of the above, the current circumstances are significantly disturbing the market in the peaches and nectarines sector and that situation, or its effects on the market, is likely to continue or deteriorate, while the normal crisis prevention and management measures available under Regulation (EU) No 1308/2013 appear to be insufficient. Therefore, adequate exceptional measures need to be urgently adopted to have effect in time during the current peaches and nectarines marketing year (that ends September 2017).

2. CONSULTATIONS PRIOR TO THE ADOPTION OF THE ACT

Member States and stakeholders have been asking for an increase of the allocated quantities for peaches and nectarines in Spain, Italy and Greece. A technical meeting to discuss the situation with experts from Member States took place on 24 August 2017.

3. LEGAL ELEMENTS OF THE DELEGATED ACT

The delegated Act is based on Article 219(1) of Regulation (EU) No 1308/2013. It should be adopted by means of the urgency procedure according to Article 219(1) second subparagraph and Article 228 of Regulation (EU) No 1308/2013. This means that the delegated act enters immediately into force without delay. The delegated act should in addition have retroactive effect since it should apply as of the date when the situation was formally and factually communicated to the Commission by Member States on 3 August 2017.

It will apply as long as no objection is expressed by the European Parliament or the Council within period of two (or - if one of the institutions asks for an extension for two additional months - within a period of 4 months). If objections are expressed, the Commission shall repeal the act without delay.

COMMISSION DELEGATED REGULATION (EU) .../...

of 8.9.2017

amending Delegated Regulation (EU) 2017/1165 as regards the temporary exceptional support measures for producers of peaches and nectarines in Greece, Spain and Italy

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007¹, and in particular Article 219(1) in conjunction with Article 228 thereof,

Whereas:

- (1) From 3 to 8 August 2017, some Member States and stakeholders informed the Commission on a severe market disturbance in the peaches and nectarines sector, due to a high level of production and stocks, especially in Greece, Spain and Italy. Stocks of peaches and nectarines in Spain amount to 87 000 tonnes, while 50 % of the peaches were still not harvested at the beginning of August. Stocks of peaches and nectarines in Italy amount to 130 000 tonnes, while 30% of the products are still to be harvested.
- (2) Since the Russian ban on imports of fruits and vegetables from the Union in 2014, producers tried to find alternative export markets. However, exports to Belarus, which is currently the first export destination for peaches and nectarines during the harvesting period, decreased by 25% since 2015. The export is even more impacted since 1 July 2017 following the introduction of sanitary and phytosanitary measures by countries that are members of the Eurasian Economic Union, in particular Belarus. Besides, export to third countries is difficult in general due to the perishable character of the produce.
- (3) The combination of those circumstances impacts the prices. According to the available data, the market situation and in particular the prices are very similar to those in 2014 when Russia introduced its embargo.
- (4) Spain and Italy confirmed that producer organisations already implemented the crisis prevention and management measures under their operational programmes and used the temporary exceptional support measures provided for in Commission Delegated

¹ OJ L 347, 20.12.2013, p. 671.

Regulation (EU) 2017/1165². Therefore, there is no more margin of manoeuvre to withdraw further quantities from the market under the current schemes.

- (5) The current circumstances are significantly disturbing the market in the peaches and nectarines sector and that situation, or its effects on the market, is likely to continue or deteriorate, while the normal crisis prevention and management measures available under Regulation (EU) No 1308/2013 appear to be insufficient.
- (6) Although this market disturbance is only indirectly linked to the Russian embargo, it is appropriate, for practical reasons and in the interest of simplification, to use the existing system laid down in Delegated Regulation (EU) 2017/1165.
- (7) In order to have a sufficient impact to stabilise the market, the quantities provided for in Delegated Regulation (EU) 2017/1165 for peaches and nectarines should be tripled for producers in Greece, Spain and Italy.
- (8) Delegated Regulation (EU) 2017/1165 should therefore be amended accordingly.
- (9) In order to have an immediate impact on the market and to help stabilise prices during the main harvesting season, this Regulation should apply retroactively as of the date when the situation was formally and factually communicated to the Commission, namely on 3 August 2017.

HAS ADOPTED THIS REGULATION:

Article 1

Amendment of Delegated Regulation (EU) 2017/1165

Annex I to Delegated Regulation (EU) 2017/1165 is replaced by the text set out in the Annex to this Regulation.

Article 2

Entry into force and application

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Union*.

It shall apply from 3 August 2017.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

² Commission Delegated Regulation (EU) 2017/1165 of 20 April 2017 laying down temporary exceptional support measures for producers of certain fruits (OJ L 170, 1.7.2017, p. 31).

Done at Brussels, 8.9.2017

For the Commission
The President
Jean-Claude JUNCKER