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(OR. en)

PRESSE 395 PR CO 40

PRESS RELEASE

3328th Council meeting

Agriculture and Fisheries

Brussels, 14 July 2014

President Maurizio MARTINA

Minister for Agricultural, Food and Forestry Policy

PRESS

Main results of the Council

The presidency presented its work programme for the six months ahead and its priorities as regards agriculture and fisheries issues. "Other than the legislative files, youth employment, measures for innovation and tackling the challenges of food security and trade issues will be the aim of the Italian presidency" said Maurizio Martina, Italian Minister of Agriculture, Food and Forestry Affairs. "We will also work to prepare EXPO Milan 2015, which will provide a unique opportunity for European agriculture, in terms of sustainability, innovation and food quality, as well as a global platform for discussion and comparison of policies, standards and best practices".

The Presidency indicated that **organic farming** constitutes a priority in its work programme. "It is important to strengthen the regulatory framework. As of today's debate, the Italian presidency will take efforts to reach a general approach on this important dossier" underlined the President of the Council, Maurizio Martina. The new rules proposed for organic production raised concerns for a number of delegations, especially on the limited exemptions and on control systems in the Commission proposal. A number of delegations were opposed to an extended use of delegated acts.

The Council had a debate on the future of the **milk sector** after the abolition of the milk quota regime in 2015. The Council could not adopt conclusions on the future of the dairy sector due to the lack of the necessary consensus. Even a qualified majority which might have allowed to send a political signal to the Commission on this matter could not be reached, due in particular to the lack of support for a modification of fat correction coefficients and/or for concrete additional measures for the future management of crisis in the sector.

Ministers were briefed and held an exchange of views on a Commission communication on **fishing opportunities for 2015**. Most of the member states acknowledged the overall improvement in the state of fish resources. They also noted that the reformed CFP will have consequences for the fishing opportunities on which the Council will have to agree under the Italian presidency. Besides improving environmental protection, the new CFP will allow for better sustainable management of resources and better profitability for fishermen.

The Council also discussed **ICANN** domains. The European Commission shared the concerns expressed by the Presidency and by some delegations on ".vin" and ".wine" internet domains in relation to geographical indications for quality wine. The Italian presidency will follow the issue closely based on the input received by the Council.

Other items

The Council adopted a regulation establishing a **single resolution mechanism** (SRM)for failing banks. The creation of an SRM – with a central decision-making board and a single resolution fund – ensures that resolution decisions across participating member states will be taken in a coordinated and effective manner, minimising the negative impact on financial stability and reducing the dependence of banks on the creditworthiness of sovereigns.

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PARTICIPANTS

Belgium:

Mr Olivier BELLE Deputy Permanent Representative

Bulgaria:

Ms Petia VASSILEVA Deputy Permanent Representative

Czech Republic:

Ms Jaroslava BENEŠ ŠPALKOVÁ Deputy Minister for Agriculture

Denmark:

Mr Dan JØRGENSEN

Minister for Food, Agriculture and Fisheries

Germany:

Mr Christian SCHMIDT Federal Minister for Food and Agriculture

Estonia:

Mr Ivari PADAR Minister for Agriculture

Ireland:

Mr Simon COVENEY Minister for Agriculture, Food and the Marine

Greece:

Mr Georgios KARASMANIS Minister for Rural Development and Food

Mr Dimitrios MELAS General Secretary for Agricultural Policy and International

Relations, Ministry of Rural Development and Food

<u>Spain:</u>

Ms Isabel GARCÍA TEJERINA Minister for Agriculture, Food and the Environment

France:

Mr Alexis DUTERTRE Deputy Permanent Representative

Ms Catherine GESLAIN-LANÉELLE Head of the General Directorate for Agricultural, Agrifood

and Regional Policies, Ministry of Agriculture

Croatia:

Ms Snježana ŠPANJOL Deputy Minister for Agriculture

Italy:

Mr Maurizio MARTINA Minister for Agricultural, Food and Forestry Policy

Cyprus:

Mr Nicos KOUYIALIS Minister for Agriculture, Natural Resources and

Environment

Latvia:

Mr Jānis DŪKLAVS Minister for Agriculture

Lithuania:

Ms Neringa MAJAUSKAITÉ Minister Counsellor at the Permanent Representation of

Lithuania to the EU

Luxembourg:

Mr Fernand ETGEN Minister for Agriculture, Viticulture and Consumer

Protection

Hungary:

Mr Zsolt FELDMAN Deputy State Secretary, Ministry of Agriculture

Mr Olivér VÁRHELYI Deputy Permanent Representative

Malta:

Mr Neil KERR Deputy Permanent Representative

11792/14 5 EN Netherlands:

Ms Sharon DIJKSMA Minister for Agriculture

<u> Austria:</u>

Mr Andrä RUPPRECHTER Federal Minister for Agriculture, Forestry, the

Environment and Water Management

Poland:

Mr Marek SAWICKI Minister for Agriculture and Rural Development

Portugal:

Ms Assunção CRISTAS Minister for Agriculture and Maritime Affairs

Mr José Diogo ALBUQUERQUE
Mr Manuel PINTO DE ABREU

State Secretary for Agriculture
State Secretary for Maritime Affairs

Romania:

Mr Peter Tamas NAGY State Secretary, Ministry of Agriculture and Rural

Development

Slovenia:

Ms Tanja STRNIŠA State Secretary at the Ministry of Agriculture and

Environment

Slovakia:

Mr Ľubomír JAHNÁTEK Minister for Agriculture and Rural Development

Finland:

Mr Petteri ORPO Minister for Agriculture and Forestry

Sweden:

Mr Eskil ERLANDSSON Minister for Rural Affairs

United Kingdom:

Mr George EUSTICE Parliamentary Under Secretary of State for Farming, Food

and Marine Environment, Department for Environment,

Food and Rural Affairs

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Commission:

Mr Dacian CIOLOŞ Member
Ms Maria DAMANAKI Member

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ITEMS DEBATED

Presidency work programme

The Italian presidency gave a public presentation on its work programme in the agriculture and fisheries sectors.

The agricultural policy priorities of the Presidency will include:

- Preparing the EXPO Milano 2015, on the theme of "Feeding the planet, energy for life", which will be a landmark event for the EU in the area of food security. The Presidency will strive to promote more sustainable, innovative and environmentally friendly development of the agriculture, food and fisheries sector in the EU, ensuring coherence with EXPO Milano 2015;
- Continuing the work on the proposal on **organic farming**, and if possible negotiating with the European Parliament, with a view to adoption of the new proposal, focusing on the rules on control, import and combating fraud in this field and keeping in mind simplification of the procedures;
- Contributing to reflection on the mid-term review of the Europe 2020 Strategy by insisting on the role of agriculture, in particular as regards opportunities for young people.
- Continuing the discussions on a proposal for a school scheme for fruit and vegetables and milk products which aims to merge the two different existing schemes to simplify the procedure;
- Widening the debate on the **future of the milk sector** once the quota system ends;
- Concluding the formalities concerning the approval of the proposal on information provision and **promotion for agricultural products** within and outside the EU;
- Seeking completion of the work on the last **delegated acts** related to the entry into force of the reformed Common Agriculture Policy (CAP) in January next year.

11792/14 7 EN The priorities for fisheries policy will focus on:

- Actively monitoring the launch of the new Common Fisheries Policy (CFP) and the entry into force of the European Maritime and Fisheries Fund (EMFF) at the beginning of next year;
- Paying special attention to **aquaculture** in view of the increase in production in the EU;
- Reaching agreement on **fishing opportunities for 2015** which will have to be fully consistent with the objectives of the new CFP;
- Coordinating the EU position and representation at negotiations concerning protocols to agreements on fisheries partnership with third countries, as well as annual meetings with regional fisheries management organisations and coastal states.
- Seeking to promote the new CFP's regional procedures to introduce appropriate resources management measures for stocks in the **Mediterranean Sea**.

As regards food and veterinary issues, the Presidency intends to:

- Take stock of the new proposals on animal cloning and novel food to find a balanced solution preventing the marketing of food from animal clones, while avoiding any obstacles to research and innovation;
- Continue the work on the package of food chain legislation, including regulations on official control, animal health, protective measures against plant pests, and the production and marketing of plant reproductive material;
- Encourage the review of regulations on veterinary medicines and the use of medicated feeds in farm animal therapy;
- Reinforce cooperation between member states' competent authorities in the fight against food fraud.

On the subject of forests, the Presidency will address the implementation of the new EU Forest Strategy and the launch of EU coordination for the preparation of Council conclusions for the 11th session of the United Nations Forum on Forests to be held in 2015.

AGRICULTURE

New proposal on organic farming

The Council held a policy debate on organic farming. Last March, ministers were briefed by the Commission about its proposal for a review of the legal framework for organic production and farming in Europe (17375/13). The Hellenic presidency started the examination of the legislative proposal at some working party meetings. The current Presidency indicated that this issue constitutes a priority in its work programme.

Most of the member states welcomed the Commission's intention to simplify the rules applicable to organic production and raise consumer confidence in organic products.

As regards the rules for organic production, the Commission has proposed strengthening and harmonising production rules by removing the current exceptions. A number of delegations expressed their concerns over such a drastic change to the current legislation on organic farming considering that it may constitute a risk for the growth of the organic sector. Several delegations were in favour of undertaking a review of the current exceptions on a case-by-case basis.

For the control systems, the Commission has proposed removing the current requirement for a mandatory annual verification of compliance for all operators and reinforcing the risk analysis-based approach to official controls. Furthermore, the proposal requires all operators along the organic chain to be subject to the control system. Finally, there is a provision that modifies the control system by integrating all control-related provisions into the Commission proposal for a Regulation on official controls in food and feed. However, many member states were not in favour of including control of the organic chain in the official feed and food control proposal, because they considered it was not the same type of control.

Finally, concerning delegated acts, the Commission has introduced the possibility of using delegated acts to modify specific organic rules, arguing that it would make the legislation more user-friendly. A number of delegations expressed their opposition to such extended use of delegated acts and were of the opinion that production rules should be contained in the basic act and modified by co-decision

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Future of the dairy sector

The Council could not adopt conclusions on the future of the dairy sector because it lacked the necessary consensus. Even a qualified majority which might have allowed to send a political signal to the Commission on this matter could not be reached.

Three delegations presented a compromise text attempting to reconcile the diverging views among member states. However, in the debate that followed, member states maintained their positions. Some delegations considered that given the current favourable market conditions it would be necessary to ensure a "softer landing" in all member states, in particular in those that risk exceeding their national milk quotas, by slightly adjusting the fat correction coefficients. However, a number of delegations (representing a large blocking minority) opposed this request and expressed the view that the rules set in 2008 for the end of quota regime should be applied strictly. Furthermore, some of these regretted the absence of concrete additional measures for the future management of crisis.

In June, most member states welcomed a report from the Commission on the development of the market situation in the milk sector. The report was provided for in the "Milk Package", which entered into force in October 2012 with a view to improving the position of dairy producers and preparing the dairy sector for the end of the quota system in 2015. On that occasion member states had already discussed the future of the dairy sector and could not agree on a set of conclusions.

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FISHERIES

Fishing opportunities for 2015

The Council was briefed and held an exchange of views on a Commission communication concerning a consultation on fishing opportunities for 2015 (11288/14).

Most of the member states acknowledged the overall improvement of the state of fish resources established by the Commission communications. They also noted the better scientific knowledge of the stocks in the Mediterranean which brings to light the high levels of overfishing.

Several delegations underlined the need to set the total allowable catches (TACs) discussed later this year, by taking into account the maximum sustainable yields (MSY) by 2015 where possible and by 2020 at the latest. Some others stressed the need to respect the commitment made to the objective of MSY by 2015. Many member states pointed out the need to clarify the consequences for the TAC proposals of implementing the obligation to land all catches, which was introduced by the reformed Common Fisheries Policy (CFP).

Several delegations highlighted the need to secure a level playing field with third countries when managing joint stocks in an international context, in particular in the case of the Mediterranean and Black Sea. Some delegations also considered that some stocks such as northern hake and Mediterranean bluefin tuna are in a better state than presented in the communication.

The Communication sets out the general approach to be taken by the Commission in formulating its proposals for fishing opportunities for 2015. The document outlines the state of the stocks, gives a limited overview of the economic performance of the EU fleet, and stresses the commitment to long-term management plans and to management in accordance with scientific advice.

The main proposal for fishing opportunities 2015 as regards stocks in the Atlantic, the North Sea, the Antarctic and in other areas will be presented in October.

Furthermore, the Commission proposals for the Baltic and the Black Sea will be submitted to Council in August and November, respectively.

Finally, a proposal for deep-sea stocks will be submitted in September this year. The fishing opportunities for deep-sea species are decided on a bi-annual basis according to the pace of scientific stock assessments.

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ANY OTHER BUSINESS

ICANN domains

The Presidency drew the attention of the Council members and the Commission to the possible negative consequences on the European agri-food production, in particular on the wine market, arising from the delegation via ICANN (Internet Corporation for Assigned Names and Numbers) of the first level domains using generic top-levels domains (e.g. *food*, *.organic*, *.vin*, *.wine*.). Several member states supported the Presidency pointing out the potential confusion if these terms were to be associated with second-level domains, thus wrongly linking them to geographical indications protected in the EU.

The Commission was aware of the risk highlighted by the presidency and confirmed its intention to continue the discussions with ICANN on this issue.

Food fraud and controls

At the request of the Swedish delegation the Commission briefed the Council about food controls and food fraud, and action taken since the "horsemeat scandal" (11613/14).

Several member states agreed that the "scandal" showed that fraud along the food chain is both widespread and of a cross-border nature. Given that the fraud is multifaceted, it is important to strengthen cooperation between institutional stakeholders with a variety of competences.

The Commission underlined that, following the "horsemeat scandal", an action plan in five points was initiated in March 2013 and is still ongoing. One of the actions concerns the strengthening of controls on fraud in the food sector with the setting up of a specific EU network linking the Commission and the member states. Recent tests to detect the presence of horse meat in food have been performed in the member states and the Commission should report to the Council on the results soon.

Effect of pesticides on birds

The Netherlands briefed the Council about a recent scientific study published in *Nature* raising concerns about the effect of some neonicotinoid insecticides on bird populations and asked for an assessment to be performed by the European Food Safety Authority (EFSA)

The Commission confirmed that it was evaluating the study and recalled the restrictions currently applicable on three neonicotinoid pesticides in the EU, whose use is limited to specific crops.

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- State of play of Fisheries Protocols: Morocco and Mauritania

The Lithuanian delegation asked the Commission to report on the protocols to the fisheries partnership agreements (FPAs) with Morocco and Mauritania. Several delegations supported the request and noted the importance of both FPAs for the EU fisheries.

The new EU-Morocco protocol is still not ratified while the conclusion of negotiations dates back to summer 2013, and EU vessels still have no access to Moroccan waters. In addition, ongoing negotiations with Mauritania on the renewal of the current protocol are likely to take longer than expected.

The Commission hopes that the protocol with Morocco will soon be implemented. As regards the protocol with Mauritania, the Commission acknowledged the problems and is working to find the best way to resolve them.

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OTHER ITEMS APPROVED

ECONOMIC AND FINANCIAL AFFAIRS

Single resolution mechanism for banks

The Council adopted a regulation establishing a single resolution mechanism (SRM) for failing banks, with a central decision-making board and a single resolution fund (*PE-CONS* 88/14).

The regulation will ensure that resolution decisions across participating member states will be taken in a coordinated and effective manner, minimising the negative impact on financial stability and reducing the dependence of banks on the creditworthiness of sovereigns.

The aim is to ensure the orderly resolution of failing banks without recourse to taxpayers' money. This will involve both a systematic recourse to the bail-in of shareholders and creditors, in line with the bank recovery and resolution directive adopted in May¹, and possible recourse to a single fund fully financed by banks.

The SRM will form one of the key elements of Europe's banking union, along with the single supervisory mechanism (SSM) that entered into force in November². It will cover all banks established in the euro area and in other member states that choose to participate.

Adoption of the regulation follows an agreement reached with the European Parliament at first reading in early April.

For details, see press release 11814/14.

BUDGETS

Surplus of the budget year 2013

The Council adopted its position on draft amending budget no 2 to the EU budget for 2014, accepting the budgeting of a surplus from 2013 of EUR 1.01 billion.

This surplus results from an over-registering of revenue (EUR 771 million), an under-spending of payments (EUR 276 million) and a negative balance of monetary exchange (EUR -42 million). The member states' contributions to the EU budget will diminish accordingly.

See press release 14044/13.

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See press release 9510/14

JUSTICE AND HOME AFFAIRS

Internal Security Fund

The Council adopted a decision authorising the Commission to open negotiations for the conclusion of an agreement between the European Union and Norway, Iceland, Switzerland and Liechtenstein on supplementary rules in relation to the instrument for financial support for external borders and visas, as part of the Internal Security Fund for the period 2014-20.

FOREIGN AFFAIRS

Restrictive measures - Côte d'Ivoire

The Council amended the EU's restrictive measures against Côte d'Ivoire in order to implement the changes made by UN Security Council resolution 2153 (2014). The ban on the import of rough diamonds from Côte d'Ivoire was lifted.

DEVELOPMENT COOPERATION

Guinea-Bissau

The Council suspended the application of appropriate measures against Guinea-Bissau. For more details, see doc. <u>11664/14</u>.

Economic partnership agreement with Cariforum

The Council endorsed the EU position on participation in the Cariforum-EU Consultative Committee as provided for by the economic partnership agreement between the Cariforum states and the EU. Cariforum, comprising the 15 states of the Caribbean community and the Dominican Republic, signed its economic partnership agreement with the EU in 2008.

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FOOD LAW

Authorisation of food additives containing aluminium lakes

The Council decided not to oppose the adoption of a Commission regulation (10992/14) allowing food additives containing aluminium lakes of riboflavins (E 101) and extending the use of aluminium lakes of cochineal, carminic acid, carmines (E 120) as food additives.

The Commission regulation is subject to the so-called 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.

Removal of montan acid esters from the list of authorised food additives

The Council decided not to oppose the adoption of a Commission regulation removing montan acid esters (E 912) from the Union list of authorised food additives since its inclusion in the list can no longer be justified due to the absence of recent scientific evidence. Montan acid esters (E 912) are waxes which were authorised as glazing agents for surface treatment of citrus fruit, melons, papayas, mangos, avocados and pineapples.

The Commission regulation is subject to the so called regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt the regulation, unless the European Parliament objects.

TRANSPARENCY

Public access to documents

On 14 July 2014, the Council approved:

- the reply to confirmatory application No 16/c/01/14 (doc. 10383/14)

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