



Brussels, 13 June 2014

BACKGROUND¹

AGRICULTURE and FISHERIES COUNCIL

Monday 16 and Tuesday 17 June 2014, in Luxembourg

The Council meeting will address agricultural and fisheries matters; it will start at 11.00 on Monday 16 June 2014 and will continue on at 10.00 on Tuesday 17 June 2014. The Council will be chaired by Mr Georgios Karasmanis, Minister for Rural Development and Food.

*As regards agriculture, the Council will be briefed on the progress concerning the Commission's proposal for a regulation as regards the **aid scheme for the supply of fruit and vegetables and milk in schools**.*

*The Commission will also present to the ministers a report on the **development of the market situation in the dairy sector**. The Council could then adopt **conclusions on the future of the dairy market**.*

*Ministers will then hold an exchange of views on the implementation of the **CAP reform** at national level.*

*The Council could adopt conclusions on the **fruit and vegetable sector**.*

*Concerning fisheries issues, ministers will take stock of the preparations for the adoption by the Council of its position regarding a proposal for a regulation on the **landing obligation**. In addition, the Commission will give an update on the state of play of the preparation of **discard plans** by Member States in line with the preparation of the implementation of the new Common Fisheries Policy (CFP) and ministers will have the opportunity to exchange their views.*

*Finally, ministers will be briefed on the **animal health/ plant health/ controls legislative package**, the **use of antibiotics in animal farming**, the **indication of origin for meat**, the **emission ceilings for certain pollutants**, the **storms in Slovakia** and the **management or capelin stock**.*

*A first **press conference** on agriculture will be held at the end of the first day of meeting (around 19.45). A second press conference on food and fisheries issues will take place at the end of the second day of meeting (around 13.30).*

The public events and the press conferences can be followed via video streaming:

<http://video.consiliums.europa.eu>

Video coverage of the event will be available for preview and download in broadcast quality (MPEG4) on www.eucouncil.tv

Photos of the event can be found in our photographic library on www.consilium.europa.eu/photo where they can be downloaded in high resolution.

¹ This note has been drawn up under the responsibility of the Press Office.

P R E S S

AGRICULTURE

School fruit, vegetables and milk scheme

The Presidency will present a progress report on the proposal for a regulation as regards the aid scheme for the supply of fruit and vegetables, bananas and milk in school ([10456/14](#)). The Commission presented its proposal to the Council in February this year ([5958/14](#)).

This proposal amends the new regulation for a Single Common Market Organisation (CMO) adopted in the framework of the Common Agricultural Policy (CAP) reform. This amendment aims to streamline the existing schemes with a view to increasing their efficiency and effectiveness and reducing the administrative burden. School milk and milk products, fruit and vegetables schemes were established in the EU in 1977 and 2007 respectively to promote the consumption of fruit and vegetable and milk products in schools. As a supplement to this proposal, the Commission has also tabled a proposal amending the regulation determining measures on fixing certain aids and refunds related to the CMO ([6054/14](#)).

In the light of the discussions in the Council, the Presidency has identified the following main issues:

- the legal basis of the proposals: on this issue, delegations unanimously supported the Council Legal Service's view that Article 43(3) TFEU (Council competency) - and not Article 43(2) TFEU (ordinary legislative procedure) - is the correct legal basis for the fixing of the level of aid;
- the balance between the basic act and the delegated powers: many delegations voiced concerns regarding the overall balance between the basic act and delegated acts. They considered that some of the issues for which the Commission had proposed to be empowered to adopt delegated acts (for example, how the criteria for the allocation of funds would be applied or the conditions for the transfers of allocations between the two components of the scheme) were essential provisions to be regulated in the basic act;
- the objective and the scope of the regime: in general, delegations shared the objective of merging the school schemes, thus increasing their efficiency and effectiveness and consolidating the legal and financial framework. They also confirmed the original objectives of the schemes, i.e. the promotion of the consumption of fruit, vegetables and milk, underlying the nutritional benefits for children. On the other hand, while a few delegations could support a narrow list of eligible products for regular distribution as suggested by the Commission, many others considered the proposed scope unsatisfactory and preferred the scope of the existing scheme and called most of the time for an extension of the scope to dairy products.
- the financing provisions: if most delegations could support the amount of the total envelopes for fruit and vegetables, including bananas, and for milk, the criteria for the allocation of EU aid were discussed extensively. Several delegations contested the choice of the criterion of "the historical use of funds under previous schemes for the supply of milk and milk products to children" to determine the milk envelope. They considered that it could be detrimental to those Member States that so far had not fully benefited from the school milk scheme or had no historical record having joined the EU only recently. However a number of other delegations considered the criterion of the historical use of funds particularly important to ensure that there would be no disruption in the functioning of the school milk scheme in their Member State.

- the administrative burden: several delegations remained to be convinced that the merged scheme would not increase the administrative burden both for national administrations and schools, notably in relation to the mandatory supporting educational measures, the involvement of national health authorities, national strategies, monitoring and reporting, price monitoring or the necessity to prove the added value of EU aid.

The European Parliament is expected to start its work on the proposal in early autumn, after the electoral recess.

Future of the dairy sector

The Commission will present to the Council a report on the development of the market situation in the milk sector, as provided for in the "Milk Package" regulation. On this occasion, the Commission will also set out whether additional measures for this sector are necessary.

The "Milk Package" was designed with a view to the longer-term future of the dairy sector following the end of the quota system in 2015. It has been fully applicable since 3 October 2012.

Drafted on the basis of the conclusions of a special High Level group set up after the 2009 milk market crisis, this series of measures is aimed at boosting the position of dairy producers in the dairy supply chain and preparing the sector for a more market-oriented and sustainable future. For example, it gives member states the possibility to make written contracts between farmers and processors compulsory in the milk sector, and it allows farmers to negotiate contract terms collectively within certain limits.

The package provides for written contracts between milk producers and processors and for the possibility to negotiate contract terms collectively via producer organizations. It also sets out new specific EU rules for inter-branch organizations, allowing actors in the dairy supply chain to enter into a dialogue and carry out certain activities. The package also entails a series of measures enhancing transparency in the market. In this regulation, the elements on producer organisations, interbranch organisations and the delegation of powers to the Commission came into force on 2 April last year, while all other elements entered into force 6 months later.

The measures established by the Milk Package will apply until mid-2020. The Commission is mandated to report in June this year on the market situation and the implementation of the measures. This report will assess in particular the effects of these measures on milk producers and milk production in disadvantaged regions and will cover potential incentives to encourage farmers to enter into joint production agreements

Furthermore, as regards the milk sector, a new European Milk Market Observatory (EMMO) was launched by the Commission in April this year. The observatory is aimed at increasing transparency and providing the most accurate market data to base potential policy decisions. Moreover, it will follow and analyse past and present trends in EU and world dairy markets, production, balance between supply and demand, productions costs, markets perspectives etc.

The Council could also adopt conclusions on the future of the dairy sector.

Implementation of the new Common Agricultural Policy

Ministers will have an exchange of views on how member states intend to implement at national level the key elements of the new Common Agricultural Policy (CAP), particularly as regards direct payments ([10476/14](#)).

The framework of the new CAP was adopted at the end of last year; after a transitional period this year, most of the measures provided for in the text will apply across the EU from 1 January 2015.

In order to achieve long-term policy objectives, such as viable food production, sustainable management of natural resources and balanced territorial development, the existing CAP instruments have been adapted in order to increase their impact and effectiveness.

More specifically, direct payments (1st pillar), which continue to constitute the backbone of the policy, have been re-designed to reflect:

- the need to ensure the long-term viability of farms by contributing to a certain level of income stability;
- the important role of EU agriculture in the delivery of public goods through a basic farm payment, a 'green payment' and a number of complementary farm payments (some of which are voluntary) and flexibilities targeted to specific needs (e.g. payment to young farmers, simplified payment for small farmers, redistributive payment).

In addition, Member States will have the possibility to grant limited coupled support to address certain difficulties in those sectors or regions where specific types of farming or specific agricultural sectors are of particular importance for economic, social or environmental reasons.

In view of the diversity of agronomic, climatic, environmental and socio-economic conditions across the EU, a certain degree of flexibility in the implementation of the new CAP has been granted to Member States, so as to allow them to take account of the specific needs of their farming sector and their rural areas. By 1 August 2014, they should make a number of important decisions, particularly in relation to the implementation of their direct payments schemes and a number of additional policy tools under the 1st pillar of the CAP.

Fruit and vegetable sector - Council conclusions

The Council could adopt conclusions on the Commission report on the implementation of the provisions concerning producer organisations, operational funds and operational programmes in the fruit and vegetable sector since the 2007 reform ([10764/14](#)).

The report assesses that the 2007 reform has generated an increase in the share of the total value of EU fruit and vegetable production marketed by producers' organisations (POs) and associations of POs (APOs). The Council therefore believes that producer organisations working within sustainable operational programmes under Regulation (EU) No 1308/2013 should continue to play a central role in achieving the objectives of the Common Agricultural Policy for the fruit and vegetables sector ([7312/14](#)).

FISHERIES

Proposal for a regulation on the landing obligation

The ministers will take stock of the preparations for the adoption of the Council position regarding a proposal for a regulation on the landing obligation (or "Omnibus" regulation) ([18021/13](#)).

The Commission proposed the "Omnibus" regulation in order to facilitate the upcoming implementation of the discards ban, as agreed in the Common Fisheries Policy (CFP) reform context. This proposal represents a temporary and urgently needed solution, which needs to be adopted by the end of this year. It consists of a series of amendments to a number of regulations establishing fisheries technical measures and control rules. The Council is preparing its position with a view to starting negotiations with the European Parliament in the second half of this year, aiming for the adoption of the regulation by the end of 2014.

There are still some key open issues such as:

- the elimination of minimum conservation reference sizes (MCRS) for the pelagic species in the North-East Atlantic;
- the marketing standards;
- the discards in the cod fishery in the Baltic;
- the qualification of infringements of the landing obligation.

One of the central objectives of the reform of the current CFP is the progressive elimination of discards in all EU fisheries through the introduction of a landing obligation (Article 15 of regulation 1380/2013²). This is designed to make better use of the available resources, and responds to public expectation to end the practice of throwing marketable fish back into the sea. High levels of discards are identified as an important factor behind the lack of environmental sustainability of the CFP.

The European Parliament and the Council agreed on the gradual introduction of the landing obligation with 1 January 2015 as the starting date for implementation. In order to make the landing obligation operational certain provisions within the current regulations on technical measures, management measures and control that run contrary to the landing obligation and oblige fishermen to discard fish must be removed or amended. However, this new framework certainly cannot be in place in time for the first group of fisheries to be covered under the landing obligation. Therefore legislation is required to remove any legal and practical impediments to implementation on a transitional basis while this new framework is being developed.

As regards the technical measures regulations, several provisions contained in the current regulations contradict the landing obligation and oblige fishermen to discard, which means that, minimum landing sizes, catch composition rules and by-catch provisions have to be amended. The EU control system for ensuring compliance with the rules of the CFP also needs to be aligned with the landing obligation.

As the first group of fisheries will be subject to the landing obligation in 2015, the relevant provisions of the regulations on technical measures, management measures and control measures should be amended by this regulation to ensure timely removal of legal obstacles to applying the landing obligation.

² [OJ L354, 28.12.2013, p. 22](#)

Implementation of the CFP: discard Plans

The Commission will give the Council an update on the state of play of the preparation of discard plans by Member States, with a view to the preparation of related delegated acts, which are to be adopted before the end of 2014 ([10217/14](#)). Ministers will then have an exchange of views on the current situation of the discards plans preparation to exchange experiences on best practices and share information on key issues and concerns ([10872/14](#)).

With the new CFP, the landing obligation is introduced gradually for all fisheries (see previous point). On 1 January 2015 the following fisheries (in EU waters) will be subject to the landing obligation: small pelagic fisheries, large pelagic fisheries, industrial fisheries, fisheries for salmon and fisheries in the Baltic Sea.

The new CFP provides for a series of provisions to facilitate the implementation of the landing obligation. There are generic flexibility provisions which can be applied by member states in the context of the annual management of their national quotas. In addition, the new CFP provides for specific flexibility tools that need to be activated through multiannual plans, or in the absence of multiannual plans, in so-called discard plans (whose validity is limited to 3 years). These flexibility tools are:

- exemptions for species with demonstrated high survival rates when returned to the sea;
- *de minimis* exemptions, under certain conditions, of up to 5 % of total annual catches (with possibility of a higher percentage in the first four years).

The member states have been occupied with the preparation of discard plans, which are agreed at sea basin level and forwarded to the Commission in the form of joint recommendations for the Commission to transform them into EU law by adopting a delegated act. This will have to happen by the end of the year.

ANY OTHER BUSINESS

Animal health, plant health, seeds market and controls

The Presidency will present to the Council its progress report on the package for animal and plant health and controls ([10629/14](#)) with a special focus on the proposal on plant reproductive material ([10618/14](#)).

This package of measures aims to strengthen the enforcement of health and safety standards for the whole agri-food chain. The package comprises proposals for regulations:

- to review the regulatory framework on **plant health**;
- to ensure the health, identity and quality of **plant reproductive material**;
- to simplify the body of legislation that regulates **animal health**;
- to review and clarify the rules on **official controls** along the food chain;
- to manage expenditures through a **common financial framework for food and feed** that modernises the existing financial provisions.

In this package, the proposal on the EU plant reproductive material regime was rejected at first reading by the European Parliament on 11 March 2014.

The Council has already adopted (8 May 2014) one of the regulations of this package laying down provisions for the management of expenditure of the measures proposed following a first-reading agreement with the European Parliament ([PE-CONS 24/14](#)).

Work on this package in the Council began in June last year.

Use of antimicrobials in animal farming

The Swedish delegation will request the Commission to report on the outcome of the various measures proposed in its action plan to fight the spread of antibiotic resistance ([10828/14](#)).

The use of antimicrobials essential for the treatment of infections in humans and animals is seriously threatened by the development and spread of bacteria strains resistant to the most common antibiotics.

The problem has been recognized by both the Council and the European Parliament, and the Commission has taken several important steps, both in human medicine and in animal husbandry. For example, it has reinforced control legislation, made recommendations on antibiotic use and reporting, and invested funds into research on new drugs. Although the actions taken so far go in the right direction, they have not succeeded in containing the rising threat from antibiotic resistance. The Commission therefore launched in autumn 2011 an action plan with 12 concrete actions to stem the emergence and spread of antibiotic resistance.

Indication of the origin for meat

The Commission will inform the Council about the European Parliament's resolution of 6 February 2014 concerning Commission implementing regulation 1337/2013 laying down rules for the application of mandatory indication of the country of origin or place of provenance for fresh chilled and frozen meat from pigs, sheep, goats and poultry ([10857/14](#)).

In the light of the fraudulent mislabelling of beef products in the EU revealed at the beginning of last year, the resolution considers that the implementing regulation should go further and include a mandatory labelling of the country of origin of all unprocessed meat in accordance with the existing beef labelling legislation.

In March this year, the Commission presented to the ministers a report on the feasibility of extending mandatory origin labelling for all meat used as an ingredient ([18148/13](#)). One of the main findings in the report was that consumers are interested in the indication of the origin of meat, but are not prepared to pay the price such labelling involves. The report pointed out that the more precise the information, the higher the costs will be.

At the time of the debate, the Presidency noted that there were still diverging views among the member states as regards the scenarios assessed by the report. While many delegations were in favour of introducing mandatory labelling, a number of them would like the labelling to indicate the specific EU member state or the specific third country whereas some others would prefer it to indicate EU/non-EU origin. However, others argued for maintaining origin labelling on a voluntary basis (i.e. status quo).

Conference on scientific support to agriculture

The Presidency will present to the ministers the main outcomes of a high-level conference "Scientific support to agriculture: competitiveness, quality and sustainability" which took place in Athens on 23 April 2014 ([10874/14](#)).

Both European and global agriculture face new, unprecedented challenges. Agricultural productivity needs to be increased in order to ensure food security for a growing population. On the other hand, biomass production has also to be raised in order to produce energy and industrial products. Both of these challenges have to be faced bearing in mind the uncertainty caused by the impacts of climate change and the general acceptance that expansion of agriculture must be achieved through an approach that also encompasses sustainability of our environment and natural resources.

The Conference brought together key representatives from the Greek government, scientific community, business and the European Commission's Joint Research Centre (JRC) with the aim of stimulating debate and improving the science-based understanding of these challenges.

Emission ceilings for certain atmospheric pollutants

At the request of the Hungarian delegation supported by Belgium, Estonia, Croatia, the Slovak Republic and Latvia, the Commission will report on the "Clean Air Policy Package" and on the national emission ceilings for certain atmospheric pollutants ("NEC Directive") ([10633/14](#)). A first report on this issue was presented at the Agriculture Council held on December 2013.

The Commission presented the "Clean Air Policy Package" in December 2013. According to the proposal new national emission reduction obligations would be set from 2020 as well as from 2030 for sulphur dioxide, nitrogen oxides, non-methane volatile organic compounds, ammonia fine particulate matter (PM_{2,5}) and methane. The emission reduction obligations set out in the abovementioned proposal are particularly relevant for the farming sector, especially the reduction of ammonia and methane, since emission ceilings would substantially affect the EU agriculture in its entirety. It would therefore be essential to fully involve the decision makers responsible for agricultural issues in the debate in order to look at the possible impact of this legislation for the agricultural sector.

Consequences of storms on forests

At the request of the Slovak delegation, the Council will take stock of the difficult situation that the forest sector is facing due to the storms which affected this country in mid-May this year ([10765/14](#)).

On 14 and 15 May 2014, high rainfall and strong winds occurred over the whole territory of the Slovak Republic. Soil and tree crowns saturated with rain water together with high wind speeds caused wide scale damage to trees and destruction of forest stands across large areas of the country.

Management of capelin - state of play

The Danish delegation will brief the Council on the need for a swift establishment of a total allowable catch (TAC) for capelin for 2014.

This issue is of particular importance for Denmark, which is the main stakeholder in the capelin fisheries. Owing to the short-lived nature of this species, the fishing season for capelin begins normally on 20 June. The scientific advice for this stock generally becomes available just before the beginning of the fishing season. This year the scientific advice for 2014 was published on 7 May but a capelin offer has yet to be made to the EU by the Greenland authorities before preparing and adopting a specific decision.

In December 2012, the Council invited the Commission to submit separate TAC proposals for each stock of short-lived species, including capelin.
