



Brussels, 9 July 2008

Background note¹
AGRICULTURE AND FISHERIES COUNCIL
Brussels, 15 July 2008

*The Council meeting will start at 11.00 on Tuesday 15 July, under the Presidency of Mr **Michel Barnier**, French minister for Agriculture and Fisheries.*

*The Presidency will present, in public deliberation, its **work programme** for the next six months in the agriculture and fisheries sector.*

*In the morning, the Council will hold a policy debate on the Common Agricultural Policy (CAP) "**Health Check**" further to the CAP reform concluded in 2003.*

*After the lunchbreak, the Council will continue its discussions with the presentation by Mariann Fischer Boel, Commissioner in charge of **agriculture** and rural development, of a programme for the distribution of **fruit and vegetables at school**. The Council will be informed of the progress of discussions on the agriculture sector in the WTO (Doha Development Round).*

*The Council will then be asked to state its position on two proposals for Decisions regarding the placing on the market of **genetically modified** varieties of **soybean** (A2704-12) and **cotton** (LLCotton25). Androula Vassiliou, in charge of **health**, will represent the European Commission.*

*In the afternoon, Joe Borg, member of the Commission in charge of **fisheries** and maritime affairs, will present to the Council a proposal for a Regulation defining emergency measures for coping with the **economic crisis in the fisheries sector**. The Council will hold an exchange of views on this subject and, depending on the progress of discussions, will endeavour to come to a political agreement].*

*The Council should conclude a revised Fisheries Protocol with the Islamic Republic of **Mauritania** and reach a political agreement for modifying the **fishing opportunities** for certain stocks.*

The Presidency will hold a press conference, probably at the end of the Council meeting [approx. 19.30].

*Public events may be watched on video:
<http://www.consilium.europa.eu/videostreaming>*

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

The Presidency's work programme

The Presidency will present its programme for the next six months in the agriculture and fisheries sector. This programme is set out in [11147/08](#).

AGRICULTURE

Common Agricultural Policy (CAP) Health Check

The Council will hold a policy debate on the "Health Check" of the CAP, as reformed in 2003-2004.

This debate will be structured by a questionnaire proposed by the Presidency relating to four important aspects of the proposal: modulation, market management mechanisms, dairy quotas and cross compliance ([11488/08](#)):

Commission proposals

On 20 May 2008, the Commission adopted proposals as a follow-up to the CAP "health check", on which the Council had adopted Conclusions on 17 March.

Legal basis proposed: Article 37 of the Treaty – qualified majority required for a Council Decision; consultation of the European Parliament compulsory.

The Commission proposals propose a number of adjustments to the current system, such as:

- **doing away with mandatory set-aside**, in order to enable the optimal use of all agricultural land and to respond to the increase in demand;
- **gradually raising milk quotas** in five annual increases of 1 % from 2009 to 2013, up to their elimination which is scheduled for April 2015. One report, however, envisages an assessment of the situation by the end of June 2011;
- **increasing** the rate of compulsory **modulation**;
- **continuing the decoupling of aid** that started with the reform of the CAP. The decoupling of direct payments to farmers makes the level of aid and the level of production independent of each other. Several Member States, however, have decided to keep certain types of coupled payments, i.e. those relating to production. The Commission proposes that the decoupling of aid should continue except for the suckler cow premium and the sheep and goat premiums;
- allowing Member States which so desire to move from a "**historical**" model to **regional** models. In the Member States that opted for this model the amount of current aid is calculated on the basis of the support granted during a reference period. In other Member States the support is determined on a regional basis, per hectare;
- **extending the Single Area Payment Scheme (SAPS)**. Ten of the 12 Member States which have joined the EU since 2004 apply the SAPS, which is due to end in 2010. At the request of the Member States concerned, the Commission has proposed extending it until 2013;

- **simplifying the cross-compliance** rules. The granting of aid to farmers is subject to strict compliance with certain specific pieces of legislation and/or rules in the fields of environment, health and animal welfare and food quality. It is a type of "contract" whereby farmers provide society with services that go beyond just the production of agricultural goods. The Commission proposes simplifying certain rules and introducing others to preserve the environmental benefits of set-aside or to improve water management.

Fruit and vegetables in schools

The Commission will submit to the Council a proposal for co-financing schemes for the free distribution of fruit and vegetables in schools.

At the time of the reform of the common organisation of the markets in fruit and vegetables¹, this possibility was raised in response to public health concerns about the obesity epidemic among children. The Commission proposal provides for a budget of EUR 90 million per year.

Apart from their nutritional importance, such schemes would help six to ten-year-olds learn about the Agricultural Policy.

Genetically modified organisms – soybean

The Council will be asked to adopt or reject, by a qualified majority, a proposal for a Decision concerning the placing on the market of products containing genetically modified soybean A2704-12 (ACS-GHØØ5-3) pursuant to Regulation (EC) No 1829/2003 of the European Parliament and of the Council ([8996/08](#)).

In the absence of a qualified majority for or against the proposal, the Decision will go back to the Commission.

On 1 July 2005 Bayer CropScience AG submitted to the competent authority of the Netherlands, in accordance with Articles 5 and 17 of Regulation (EC) No 1829/2003, an application to market food, food ingredients and feed containing, consisting of, or produced from soybean A2704-12.

The European Food Safety Authority (EFSA) was consulted and delivered its opinion on 10 August 2007.

On 12 February 2008 the Commission consulted the relevant regulatory committee, which was unable to issue an opinion.

Accordingly, the Commission submitted a proposal to the Council on 29 April 2008. The Council is required to act by a qualified majority within three months from that date (i.e. by 29 July 2008).

¹ Council Regulation (EC) No 1182/2007 of 26 September 2007 laying down specific rules as regards the fruit and vegetable sector (*OJ L 273, 17.10.2007, p. 1*).

Genetically modified organisms – cotton

The Council will be asked to adopt or reject, by a qualified majority, a proposal for a Decision concerning the placing on the market of products containing genetically modified LLCotton25 (ACS-GHØØ1-3) pursuant to Regulation (EC) No 1829/2003 of the European Parliament and of the Council ([9070/08](#)).

In the absence of a qualified majority for or against the proposal, the Decision will go back to the Commission.

On 3 March 2005 Bayer CropScience AG submitted to the competent authority of the Netherlands, in accordance with Articles 5 and 17 of Regulation (EC) No 1829/2003, an application to market food, food ingredients and feed containing, consisting of or produced from LLCotton25.

The European Food Safety Authority (EFSA) was consulted and delivered its opinion on 16 April 2007.

On 12 February 2008 the Commission consulted the relevant regulatory committee, which was unable to issue an opinion.

Accordingly, the Commission submitted a proposal to the Council on 30 April 2008. The Council is required to act by a qualified majority within three months from that date (i.e. by 30 July 2008).

FISHERIES

Revision of fishing opportunities for some stocks for 2008

The Council will consider a proposal for a Regulation revising fishing opportunities for certain stocks for 2008 ([11107/08](#)).

The Regulation is designed in particular to clarify some fishing areas in the Regulation governing deep-sea stocks¹ and to correct some fishing area restrictions and footnotes in the basic Regulation on TACs and quotas².

The Regulation also transposes into Community law a number of agreements concluded between late 2007 and spring 2008 between the European Community and Iceland and between the Community and the Faeroe Islands, Greenland, Iceland, Norway and the Russian Federation regarding the management of redfish in the Irminger Sea and adjacent waters in the NEAFC Convention area in 2008³.

¹ Council Regulation (EC) No 2015/2006 sets for 2007 and 2008 the fishing opportunities for Community vessels fishing for certain deep-sea fish stocks.

² Regulation (EC) No 40/2008.

³ As the agreement in question is applicable for the whole of 2008, its implementation should apply retroactively from 1 January 2008.

The Regulation moreover enables the Community to carry out trials concerning technical measures for towed gear in order to reduce the proportion of cod discarded to not more than 10 % (of catches by number). Lastly, the Regulation modifies the TAC for cod in the Celtic Sea.

Measures envisaged for coping with the economic crisis in the fisheries sector: temporary scheme to promote restructuring of European fishing fleets

The Commission will be presenting to the Council a communication on measures to facilitate the adaptation of the fisheries sector to the high price of diesel.

One of those measures involves a proposal for a Council Regulation introducing a temporary scheme to promote restructuring of European fishing fleets affected by the economic crisis, on which the Council will hold a policy debate. If conditions are right, the Council will endeavour to reach political agreement on this Regulation.

Partnership agreement with Mauritania

The Council should adopt a Regulation on the conclusion of the renegotiated Protocol setting out the fishing opportunities and financial contribution provided for in the Fisheries Partnership Agreement between the European Community and the Islamic Republic of Mauritania ([9690/08](#) and [9298/08](#)).

The European Community has negotiated adjustments to the provisions of that Protocol, since Community vessels were not making full use of the fishing opportunities available under it, which called into question its economic and financial benefits. On 13 March 2008, a new Protocol was initialled by Mauritania and the European Community for the period from 1 August 2008 to 31 July 2012.

OTHER BUSINESS

(a) Negotiations at the WTO on the Doha development agenda

Commissioner Fischer Boel will brief the Council on progress in negotiations at the World Trade Organisation (WTO) on agricultural issues, ahead of the special General Affairs Council meeting to be held in Brussels on 18 July 2008 and the ministerial meeting of some thirty WTO members in Geneva on 21 July 2008.

(b) Synergy of forestry policies – Request by the Romanian delegation.

(c) Non-recoverable VAT on sustainable development investments – request by the Hungarian delegation, supported by the Spanish, Lithuanian and Slovak delegations

Hungary will repeat the following statement, supported by other delegations, as entered in the Council minutes at the time of adoption of Regulation (EC) No 1698/2005¹ and in particular Article 71(3)(a) thereof concerning the conditions for the eligibility of non-recoverable VAT for co-financing by the EAFRD.

"Statement by Hungary, Poland, the Czech Republic and Lithuania, supported by Slovakia

Hungary, Poland, the Czech Republic and Lithuania support all the efforts to make progress on the legislative proposals that underpin the financial framework. In that context they welcome the adoption of the Regulation on support for rural development by the European Agricultural Fund for Rural Development. However, the provisions of the Regulation governing the eligibility of non-recoverable VAT must not be regarded as a reference for the other relevant legislative proposals. Hungary, Poland, the Czech Republic and Lithuania reiterate their position taken at the June European Council that the rules on non-recoverable VAT should be the same as those that apply to the structural funds and to the cohesion fund for the programming period 2000-2006."

¹ Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (*OJ L 277, 21.10.2005, p. 1*).