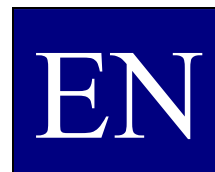




**COUNCIL OF
THE EUROPEAN UNION**



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3006th Council meeting

Agriculture and Fisheries

Brussels, 29 March 2010

President **Ms Elena ESPINOSA**
Minister for Agriculture of Spain

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Main results of the Council

*The Council took note of the presidency conclusions, supported by a majority of member states, on the Commission's communication "**A better functioning food supply chain in Europe**".*

*The Council took note of the presidency conclusions, endorsed by the future Belgian and Hungarian presidencies and supported by a majority of member states, on the "**Future of the CAP: market management measures post 2013**".*

*Ministers held an exchange of views on the role which agriculture and the Common Agricultural Policy could play within the new **European strategy for jobs and growth**.*

*Furthermore, the Commission informed the Council of its latest quarterly **report on the dairy market**.*

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PARTICIPANTS

The governments of the member states and the European Commission were represented as follows:

Belgium:

Ms Sabine LARUELLE

Minister for SMEs, the Self-Employed, Agriculture and Science Policy

Bulgaria:

Mr Miroslav NAYDENOV

Minister for Agriculture and Food

Czech Republic:

Mr Jakub ŠEBESTA

Minister for Agriculture

Denmark:

Mr Henrik HØEGH

Minister for Food, Agriculture and Fisheries

Germany:

Ms Ilse AIGNER

Federal Minister for Food, Agriculture and Consumer Protection

Mr Robert KLOOS

Permanent State Secretary

Estonia:

Mr Helir-Valdor SEEDER

Minister for Agriculture

Ireland:

Mr Brendan SMITH

Minister for Agriculture, Fisheries and Food

Mr Sean CONNICK

Minister

Greece:

Ms Aikaterini BATZELI

Minister for Rural Development and Food

Spain:

Ms Elena ESPINOSA MANGANA

Minister for the Environment and the Rural and Marine Environment

Mr Josep PUXEU ROCAMORA

State Secretary for the Rural Environment and Water

Mr Joaquim LLENA I CORTINA

Minister for Agriculture of the Autonomous Community of Catalonia

France:

Mr Bruno LE MAIRE

Minister for Food, Agriculture and Fisheries

Italy:

Mr Vincenzo GRASSI

Deputy Permanent Representative

Cyprus:

Ms Egly PANTELAKIS

Acting Permanent Secretary

Latvia:

Mr Jānis DŪKLAVS

Minister for Agriculture

Lithuania:

Mr Kazys STARKEVICIUS

Minister for Agriculture

Luxembourg:

Mr Romain SCHNEIDER

Minister for Agriculture, Viticulture and Rural Development

Hungary:

Mr József GRÁF

Minister for Agriculture and Rural Development

Malta:

Mr George PULLICINO

Minister for Resources and Rural Affairs

Netherlands:

Ms Gerda VERBURG

Minister for Agriculture, Nature and Food Quality

Austria:

Mr Nikolaus BERLAKOVICH

Federal Minister for Agriculture, Forestry, the Environment and Water Management

Poland:

Mr Marek SAWICKI

Minister for Agriculture and Rural Development

Portugal:

Mr António SERRANO

Minister for Agriculture, Rural Development and Fisheries

Romania:

Mr Mihail DUMITRU

Minister for Agriculture and Rural Development

Slovenia:

Mr Uroš VAJGL

Deputy Permanent Representative

Slovakia:

Mr Vladimír CHOVAN

Minister for Agriculture

Finland:

Ms Sirkka-Liisa ANTTILA

Minister for Agriculture and Forestry

Sweden:

Mr Eskil ERLANDSSON

Minister for Agriculture

United Kingdom:

Mr Jim FITZPATRICK

Minister of State, Minister for Food, Farming and Environment

Mr Huw IRRANCA-DAVIES

Parliamentary Under-Secretary of State, Minister for the Natural and Marine Environment, Wildlife and Rural Affairs

Commission:

Ms Maria DAMANAKI

Member

Mr Dacian CIOLOȘ

Member

Mr Janez POTOČNIK

Member

ITEMS DEBATED

A BETTER FUNCTIONING FOOD SUPPLY CHAIN IN EUROPE

The Council noted that the draft Council conclusions on how to improve the functioning of the food supply chain had been finalised as presidency conclusions with the support of a large majority of delegations. The conclusions are as follows:

"THE PRESIDENCY OF THE COUNCIL OF THE EUROPEAN UNION

1. WELCOMES the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled "A better functioning food supply chain in Europe".
 2. IS CONVINCED that a more efficient food supply chain would serve to support the market in the interests of all the parties to the food supply chain and EMPHASISES that fair and sustainable distribution of added value along the food supply chain will contribute to raising its overall efficiency, competitiveness and sustainability.
 3. HIGHLIGHTS the need to promote sustainable and market-based relationships along the food chain and to favour a proportionate balance of power between stakeholders in the food supply chain in order to bolster Europe-wide competitiveness in the interests of primary producers, processors and consumers alike and STRESSES that considerations for a better functioning of the food chain should be based on market-oriented principles and not lead to any undue administrative burden.
- I. IMPROVING THE STRUCTURE AND CONSOLIDATION OF THE AGRO-FOOD SECTOR**
4. In this respect, HIGHLIGHTS the need to improve the structure and consolidation of the agro-food sector.
 5. UNDERLINES the fact that the integration of primary producers and SME processors with the other links of the food supply chain, for example, through interbranch organisations or any appropriate forms of organisation could be stepped up and that the scope of activities of these organisations should be widened.

6. CONSIDERS that agricultural cooperatives and producer organisations should be strengthened and when relevant enlarged and their rules simplified. In this context one of key measures is training of farmers in strategic planning, which would contribute to more appropriate business decisions in the process of restructuring. Innovation in production and processing should also be stimulated. To this end, CONSIDERS that an assessment of the respective provisions of the relevant Council Regulations and, if appropriate, their refinement could be necessary.

II. INCREASING TRANSPARENCY

7. STRESSES that increased transparency along the food chain can contribute to encouraging competition and improving its resistance to price volatility and to this end INVITES the Commission to explore ways to increase transparency along the food chain in accordance with market-based principles in order to favour a proportionate balance of bargaining power between stakeholders in the food supply chain.
8. In this respect, WELCOMES the first edition of the European Food Prices Monitoring tool published by the Commission as well as similar initiatives taken by Member States and DECLARES its ambition to further develop the monitoring of price formation by analysing costs, processes and added value in compliance with competition law and the protection of commercial secrecy.
9. Recalling in this context the Council Conclusions on the Commission Communication "A Simplified CAP - a success for all" of 25 May 2009, CONSIDERS that where possible, optimum use should be made of already available statistical data, rather than imposing new costly reporting obligations, so as to avoid an undue administrative burden and to keep the measures to be taken in proportion to the aim.

TAKES NOTE of the views expressed by some Member States on the origin labelling of agricultural produce and INVITES the Commission to hold a comprehensive debate on this issue in the framework of agricultural product quality policy, in line with the current debate on the proposal for a Regulation on the provision of food information to consumers.

III. COMBATING UNFAIR TRADING PRACTICES

11. UNDERLINES the necessity for the Commission in cooperation with the Member States to identify and combat unfair trading practices and to put in place stricter controls and easier procedures for reporting such practices.
12. STRESSES the importance of shortening payment periods and eliminating, in the context of the ongoing revision of Directive 2000/35/EC of the European Parliament and of the Council on combating late payment in commercial transactions, grossly unfair commercial practices.

IV. ENCOURAGING SELF-REGULATION INITIATIVES

13. Actively ENCOURAGES self-regulation initiatives between stakeholders in the food supply chain.
14. In this spirit, INVITES the Commission to prepare sets of standard contracts for the agro-food sector, whose use should be voluntary. However, subject to compliance with single market rules and taking into account specific sectoral situations, Member States may decide to make the implementation of these contracts compulsory in some cases in order to guarantee their efficiency.
15. ENCOURAGES the adoption of Codes of Good Commercial Practices for all stakeholders in the food supply chain. Subscription to these codes should be voluntary but Member States could assess compliance with them in accordance with guidelines provided by the Commission.
16. Recalling the Final Recommendations of the High Level Group on the Competitiveness of the Agro-Food Industry, SUPPORTS the idea of establishing, in collaboration between the European Commission, the Member States and stakeholders, a European forum addressing the relationships between the players in the food chain and INVITES the Commission to set up such a forum at the earliest opportunity.

V. CAP AND COMPETITION POLICY

17. INVITES the Commission to explore the flexibility margin in the application of competition rules and harmonise their interpretation, taking account of the particularities of the agro-food sector and stimulating cooperation with the European Competition Network (ECN) to develop a common approach.
18. CONSIDERS a harmonious relationship between competition policy and the Common Agricultural Policy essential to ensure the competitiveness of the sector and that, if appropriate, careful consideration should be given to the opportunity to amend, where necessary, competition rules and, *inter alia*, the relevant provisions of Council Regulation (EC) No 1234/2007 ("Single CMO Regulation")."

The conclusions reflect the outcome of the exchange of views held at the Council on 18 January 2010 on the Commission's communication "A better functioning food supply chain in Europe" ([15330/09](#)), a follow-up to the December 2008 report on food prices in Europe ([17380/08](#)).

The food supply chain connects three important sectors of the European economy: agriculture, the food processing industry and the distribution sectors. Its performance has direct consequences for citizens since food represents 16% of European households' expenditure and is increasingly important on the path towards recovery from the current economic crisis.

In the second half of 2007, agricultural commodity price increases accelerated and had reached exceptional levels by early 2008. The European Council of June 2008 asked the Commission to report back on these issues by December 2008. In response, the Commission proposed to better monitor developments in agricultural commodity and food prices, to analyse the impact of speculation on agricultural commodity prices and to investigate the functioning of the food supply chain.

FUTURE OF THE CAP: MARKET MANAGEMENT MEASURES POST 2013

The Council took note of the presidency conclusions fully shared and endorsed by the future Belgian and Hungarian presidencies, as the other two members of the trio presidency, and supported by a majority of delegations, on the "Future of the CAP: market management measures post 2013", see [7451/1/10 REV 1](#). The conclusions reflect the exchange of views held by ministers on 22 February 2010 on a presidency paper ([6063/10](#)).

The presidency, underlining the need to guarantee the future viability of agriculture, considered that the conclusions provided a useful basis for the future debate on the CAP post 2013.

The presidency recalled that discussions on the future of the CAP have been held under the French, Czech and Swedish Presidencies and invited future presidencies to continue this work. A general reflection on the CAP post 2013 is scheduled by the presidency to take place during the informal meeting of the ministers for Agriculture to be held in Mérida, Spain on 30 May - 1 June.

AGRICULTURE AND THE CAP IN THE PERSPECTIVE OF THE EU 2020 STRATEGY

The Council held an exchange of views on agriculture and the CAP in the perspective of the EU 2020 strategy. The debate was based on a presidency paper ([7453/1/10](#)) which included a questionnaire.

Ministers in general considered that agriculture and the CAP were not sufficiently taken into account in the Commission's communication "Europe 2020: A European strategy for smart, sustainable and inclusive growth" ([7110/10](#)). They welcomed, however, the recognition in the conclusions of the Spring European Council of 25 and 26 March that a sustainable, productive and competitive agricultural sector would make an important contribution to the new European strategy for jobs and growth. Many ministers concurred that agriculture could play a key role in achieving each of the three priorities of the new strategy, i.e. smart growth (for example through innovations in order to optimise the use of natural resources), sustainable growth (for example through bioenergy) and inclusive growth (for example by keeping jobs and people in rural areas).

Some ministers stressed the need for the EU's future strategy for jobs and growth to take account not only of the input from the Ecofin and General Affairs Council, but also of sensitivities and opinions expressed in the Agriculture and Fisheries Council. Ministers in particular considered that making the economy more environmentally friendly was a challenge that could not be met without due consideration for agriculture, which manages almost half of the EU's territory, plays a key role in ensuring sustainable use of resources, conservation of natural habitats and biodiversity, and is destined to play an increasing role in combating climate change. Ministers also drew the attention to the fact that agriculture and the agri-food industry contributed substantially to economic growth and employment.

Some ministers made it clear that the new strategy should not interfere with or call into question the funding of the CAP. Several delegations argued in favour of keeping a strong CAP with an adequate financing, whereas others did not wish to preempt the next multiannual financial framework.

The presidency promised to convey these views as a contribution by the Agriculture and Fisheries Council to the ongoing discussion on the new European strategy for growth and jobs, to be formally adopted at the June European Council.

SITUATION ON THE DAIRY MARKET

The Council took note of a Commission quarterly report on the dairy market ([7446/10](#)), presented by the Commissioner in charge of Agriculture and Rural Development, Dacian Cioloș.

The latest figures show that average producer milk prices in the EU have reached a level of around 28 cents per litre, which is close to the seasonal long-term average.

As a reaction to the crisis in the dairy sector, the Commission undertook in May 2009 to report every three months on the situation on the dairy market. The Commission also established a High Level Group discussing mid-term and long-term arrangements and is expected to table preliminary conclusions in May 2010. In addition to the discussion within the High Level Group, the Commission organised a conference on "What future for milk?" in Brussels on 26 March 2010 in order to consult more widely (http://ec.europa.eu/agriculture/events/milk-conference-2010/index_en.htm).

OTHER BUSINESS

Fishery management measures in the Mediterranean Sea

The Italian delegation, supported by Cyprus and Spain, drew the Council's attention on a number of practical difficulties regarding the implementation of regulation 1967/2006 concerning management measures for the sustainable exploitation of fishery resources in the Mediterranean Sea ([7602/10](#)). The Commission undertook to facilitate the technical application of the regulation, whilst stressing the importance for the Mediterranean countries of fully complying with and implementing it.

International negotiations on bluefin tuna

At the request of Malta, the Council took note of the outcome of the CITES conference on endangered species held in Doha from 13 to 25 March as regards bluefin tuna.

As a general rule for any other future international negotiations, some delegations and the Commission highlighted the importance of improving EU coordination beforehand.

OECD ministerial meeting in Paris

The Council was informed by the Austrian delegation of the outcome of the OECD ministerial meeting held in Paris on 25 and 26 February 2010 ([7728/10](#)). The Austrian minister for Agriculture, Forestry, the Environment and Water Management, Mr Nikolaus Berlakovich, who co-chaired the OECD meeting together with his New-Zealand counterpart, highlighted, in particular, the OECD member states' desire for the successful conclusion of the Doha Development Agenda negotiations in the World Trade Organisation (WTO). With regard to climate change and food security, he explained that the OECD considered that agriculture can be part of the solution. The OECD also stressed the need to take measures against the impact of extreme price volatility and to improve transparency in the food chain. A follow-up OECD conference to take stock is scheduled to take place not later than 2015.

Union for the Mediterranean: ministerial conference on Agriculture in Cairo

The French delegation informed the Council of the ministerial conference on Agriculture to be held in Cairo on 15 and 16 June 2010 in the framework of the Union for the Mediterranean, and called for wide EU ministerial participation at this meeting ([7832/10](#)). The conference is aimed, inter alia, at adopting a charter on food security and defining priority actions for the Mediterranean region.

WTO negotiations

The Council took note of information provided by the Commissioner for Agriculture and Rural Development, Dacian Cioloș, on the state of play in the WTO negotiations

OTHER ITEMS APPROVED

AGRICULTURE

Authorisation and refusal of health claims on foods - committee procedure

The Council decided not to oppose the adoption by the Commission of three regulations concerning the authorisation and refusal of health claims made on foods. These regulations are the following:

- regulation refusing to authorise certain health claims made on foods, other than those referring to the reduction of disease risk and to children's development and health;
- regulation amending regulation 983/2009 on the authorisation and refusal of authorisation of certain health claims made on food and referring to the reduction of disease risk and to children's development and health;
- regulation refusing to authorise a health claim made on foods, other than those referring to the reduction of disease risk and to children's development and health.

Under the regulatory procedure with scrutiny, the Council can oppose an act which exceeds the implementing powers of the Commission, is not compatible with the aim or content of the basic instrument or does not respect subsidiarity or proportionality if the regulatory committee previously supported the measures envisaged.

EXTERNAL RELATIONS

Euro-Mediterranean ministerial conference on water

The Council took note of preparations for the IV Euro-Mediterranean ministerial conference on water, to take place in Barcelona, Spain, on 13 April 2010.

The Euro-Mediterranean ministerial conference on water held in Jordan in December 2008, launched a long-term strategy for water in the Mediterranean with a view to developing a common political, methodological and financing framework in order to facilitate the implementation of regional policies in the water field.

Scarcity, climate variability, droughts and floods, population growth, socio-economic disparities and unbalanced development, pollution, pressures on natural ecosystems and loss of biodiversity are among the challenges faced in the Mediterranean, calling for new strategies and projects to achieve sustainable development of water resources ([7300/10](#)).

Appropriate measures towards the Fiji Islands

The Council extended by six months the appropriate measure towards the Fiji Islands in order to facilitate its return to democracy, respect for human rights and the rule of law.

For more details, see [7979/10](#).

Restrictive measures against Guinea

The Council adopted a decision amending common position 2009/788 concerning restrictive measures against Guinea, considering that there are no longer grounds for keeping certain persons on the lists of persons, entities and bodies to which the restrictive measures apply.

EU/Montenegro Stabilisation and Association agreement

The Council adopted a decision approving the conclusion of the Stabilisation and Association agreement with Montenegro, which was signed on 15 October 2007 ([11568/1/07](#)).

TRADE POLICY

Anti-dumping - Ironing boards from China

The Council adopted a regulation amending regulation 452/2007 imposing a definitive anti-dumping duty on imports of ironing boards originating, *inter alia*, in China ([7330/10](#)).

ENERGY

Lamps - ecodesign requirements - committee procedure

The Council decided not to oppose the adoption by the Commission of a regulation amending regulation 245/2009 aimed at improving ecodesign requirements for fluorescent lamps without integrated ballast, for high intensity discharge lamps, and for ballast and luminaires able to operate such lamps ([5435/10](#)).

According to the committee procedure, the Commission may now adopt the amending regulation unless the European Parliament opposes it.

INTERNAL MARKET

Chemicals: REACH system - Amendments to safety data sheets

The Council decided not to oppose the adoption by the Commission of a regulation ([5310/10](#)) amending the REACH regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals).

The new regulation will amend the provisions on safety data sheets contained in annex II of the REACH regulation¹. In this context, it also lays down implementing rules on how to handle the transition from the current system of classification and labelling of substances and preparations to the Globally Harmonised System (GHS) for classifying and communicating chemical hazards.

Under the regulatory procedure with scrutiny, the Council can oppose an act which exceeds the implementing powers of the Commission, is not compatible with the aim or content of the basic instrument, in this case the REACH regulation, or does not respect the principles of subsidiarity or proportionality.

¹ See Official Journal L 136 of 29.5.2007.