



Brussels, 23 September 2010

Background¹
AGRICULTURE and FISHERIES COUNCIL
Brussels, 27 September 2010

The Council meeting will address mainly agricultural matters; it will start at 10.00 on Monday 27 September, and will be chaired by Ms Sabine LARUELLE, Federal Minister for Agriculture of Belgium for the agricultural matters and by Mr Kris PEETERS, Minister-President for the Flemish Region, responsible for Fisheries, for the point on fisheries.

Concerning Fisheries, the ministers will have a presentation from the Commission on the management of mackerel in the North-East Atlantic.

As regards Agriculture, ministers will hold an exchange of views on the communication from the Commission on the freedom for Member States to decide on the cultivation of genetically modified crops.

During lunch, ministers will have a discussion on financing of animal health policy.

Ministers could adopt Council conclusions on the report and recommendations of the High Level Group on milk. Then, an amended proposal for a regulation as regards food distribution to the most deprived persons in the Union will be presented to the Council and finally, Ministers will hold an exchange of views on a proposal for a regulation laying down specific measures for agriculture in the outermost regions of the Union.

A first press conference will take place immediately after the discussion on the Fisheries point (+/-10.45). A second press conference on Agriculture will be organised after the meeting (+/-17.30)

¹ This note has been drawn up under the responsibility of the press office.

Communication from the Commission on the freedom for Member States to decide on the cultivation of genetically modified crops

The Council will hold an exchange of views on the Communication on the freedom for Member States to decide on the cultivation of genetically modified organisms (GMOs).

On 13 July 2010, following a request made by Hungary supported by 11 other Member States, the Commission proposed a new GMO package comprising a communication, a new recommendation on the co-existence of genetically modified crops with conventional and organic farming and a legislative proposal amending Directive 2001/18/EC (*13511/10*).

The new recommendation on co-existence allows Member States greater flexibility in the development of national co-existence measures and allows them to define GM-free areas. Directive 2001/18/EC would be amended to include an Article allowing Member States to restrict or prohibit the cultivation in all or part of their territory of GMOs authorised at European level. This restriction should be based on grounds other than those related to the adverse effect on health and environment and must be in conformity with the Treaties.

The Agriculture Council will have an exchange of views on the basis of the following questions:

- What economic impact and what consequences for the internal market are these Commission proposals likely to have?
- What steps need to be taken to ensure that the Commission proposals comply with WTO rules and internal market rules?

An exchange of views will also take place at the next Environment Council on 14 October 2010. The further legislative work will be dealt with within the Environment Council.

Report of the High Level Group on Milk

The ministers could adopt Council conclusions on the report of the High Level Group (HLG) on Milk in order to work out possible options.

In response to the crisis in the dairy sector in 2009, in October of that year the Commission set up a HLG on Milk to consider the measures needed in the sector in the medium and long term, given that quotas are due to end on 1 April 2015.

The Group, comprising senior national experts, met about ten times between October 2009 and June 2010. Its discussions drew on oral and written contributions from the main European stakeholders in the dairy supply chain. In addition, it received contributions on certain specific questions from invited academics, third country representatives and various Commission departments.

The HLG published its report in mid-June and recommended a number of measures ([11935/10](#) + [11758/10](#)) centred on:

- enhanced contractual relations between milk producers and dairies;
- producers' collective bargaining power; and
- the possible role of interprofessional organisations in the dairy sector:

The recommendations also cover instruments designed to reduce market volatility and research programmes.

Following an initial exchange of views on 12 July, the Presidency has decided to propose Council conclusions on the basis of the HLG recommendations, thus enabling the Commission to submit legislative proposals before the end of the year.

Situation on the dairy market

The Commission will present a quarterly report of the situation on the dairy market.

As a reaction to the crisis in the dairy sector, the Commission committed in May 2009 to report every three months on the situation in the dairy market.

The previous quarterly report was presented in the Council of 29 June 2010 ([11015/10](#)).

Distribution of food products to the most deprived persons in the Union

Ministers will be briefed by the Commission on a proposal for a regulation as regards distribution of food products to the most deprived persons in the Union ([13435/10](#)).

The Commission proposes an amendment to regulations 1290/2005 and 1234/2007 defining the rules under which the European Union can supply food coming from intervention stocks to the most deprived persons. In this text, food would be sourced either from intervention stocks or from the market. The latter would no longer be limited to situations of temporary unavailability of intervention stocks which is the case now. However, priority would be given to the use of suitable intervention stocks where these are available. In addition, in order to improve the nutritional balance of the food provided through this scheme, the choice of distributed foods would be extended to those for which intervention does not apply. The proposal introduces also co-financing of the scheme and a ceiling for the financial contribution of the Union.

A first proposal on this issue had already been presented to the Council in September and November 2008. Since then, the Commission has introduced in its proposal a reshaping of the text to put it in line with the provision of the Lisbon Treaty and take into account amendments from the European Parliament. The proposed rules for cofinancing have also been modified, raising the contribution of the Union.

The current regulation as regards distribution of food to the most deprived persons was initiated by a regulation from 1987 amended in 1995 and finally integrated in 2007 into the regulation establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single Common Market Organisation regulation). Currently, food is sourced from intervention stocks and from the market when these stocks are unavailable. But the scheme's reliance on market purchases for the provision of food has increased significantly over the years mainly because of the reframing of the common agricultural policy (CAP). In this context, intervention as a regulatory tool has been removed for several products and intervention stocks could no longer be used in the scheme.

Specific measures for agriculture in the outermost regions of the Union

Ministers will hold an exchange of views following a presentation by the Commission of a proposal for a regulation laying down specific measures for agriculture in the outermost region of the Union (13575/10). The Commission will also present the first report on the effects of the 2006 reform of the Programme of Options Specifically Relating to Remoteness and Insularity (POSEI) regime (13576/10).

The Regulation 247/2006 lays down specific measures for agriculture in the outermost regions of the Union. The Commission proposes a reshaping of this text in order to put it in conformity with the Lisbon Treaty. In addition, the Commission will present the first report on the impact of the action taken under Regulation 247/2006. Some elements of the report have been taken into account in the Commission proposal.

Since 1991, Agriculture in the outermost regions of the European Union (EU) has benefited from POSEI, the aim of which is to allow specific measures for the implementation of the Common Agricultural Policy that take into consideration the geographical and economic disadvantages of these regions.

The POSEI agricultural measures are divided into two main categories: the first concerns the supply of products which are essential for human consumption, for processing or as agricultural inputs. The second concerns specific support measures for the production and marketing of local agricultural products.

ANY OTHER BUSINESS

Fisheries

Management of mackerel in the North-East Atlantic

The Council will be briefed by the Commission on the current state of play of mackerel management in the North-East Atlantic between the EU, Norway, Iceland and Faroe Islands (13925/10). The Commission would like to hear the Council's views on further steps.

Agriculture

Tomato market

The Italian delegation will provide information about the impact of processed products imports on the tomato market and a request for identifying the origin of the product ([13763/10](#)).

Prolongation of temporary state aid

At the request of the Hungarian delegation, Ministers will be briefed on the prolongation of temporary state aid in favour of agricultural producers at least until the end of 2011 (13838/10).

Situation of the cereals market

The Polish delegation will inform the Council to the ministers on the situation of the cereal market and its impact on animal production and its request for potential measures to be taken.

BSE monitoring programme

The ministers will be informed by the Latvian delegation of its request to the Commission to allow a fast revision of the Bovine Spongiform Encephalopathy (BSE) monitoring programme in this country ([13911/10](#)).
