



Brussels, 9 December 2010

Background¹
AGRICULTURE and FISHERIES COUNCIL
Brussels, 13 and 14 December 2010

The Council meeting will address fisheries and agricultural matters; it will start at 09.30 on Monday 13 December and will continue on Tuesday 14 December. The Council will be chaired by Mr Kris PEETERS, Minister-President for the Flemish Region, responsible for Fisheries, for the points on fisheries and by Ms Sabine LARUELLE, Federal Minister for Agriculture of Belgium for the agricultural matters.

*Concerning Fisheries, the ministers will try to find a political agreement on **fishing opportunities for certain fish stocks for 2011 for EU vessels in the waters of the Atlantic, the Channel and the North Sea** and on **fishing opportunities for certain fish stocks in the Black Sea**.*

*As regards Agriculture, during lunch, ministers will have a discussion on **the future of the CAP: definition of an "active farmer"**.*

*The Council will be briefed on **contractual relations in the milk and milk product sector and on agricultural product quality policy**.*

*Ministers will also hold a policy debate on a communication on **the CAP towards 2020**.*

*Finally, ministers will be briefed on the **quarterly report on the dairy market and on developments in the market situation and conditions for phasing out the milk quota system**.*

A first press conference on agricultural issues will be organised at the end of the first day of meeting (+/-18.30). A second press conference on fisheries will be organised at the end of the second day of meeting.

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

FISHERIES

Total allowable catches (TACs) and quotas for 2011

The Council will try to reach a political agreement on a regulation on fishing opportunities for 2011 for EU vessels in the waters of the Atlantic, the Channel and the North Sea ([16068/10](#)).

Each year, on a Commission proposal, the Council has to take a decision on fishing opportunities for the stocks in the Atlantic, the North Sea and international fisheries in which EU vessels participate. This is the main fishing opportunities regulation by number of regulated stocks. Along with the regulations fixing the fishing opportunities for the Baltic Sea, the Black sea and the deep sea stocks (the latter every two years), these regulations limit the harvesting of the stocks to levels which must be consistent with the overall objectives of the Common Fisheries Policy. In this respect, regulation (EC) No 2371/2002² sets out the objectives for the annual proposals for catch and fishing effort limitations to ensure that EU fisheries are ecologically, economically and socially sustainable.

The annual decision aiming at fixing fishing opportunities is due essentially to historical reasons, relating to the way in which the CFP provides for the sharing of the maritime space and the resources therein among national EU fleets. It is a complementary approach to the introduction of long-term management approaches in which stocks of commercial interest are now subject to multi-annual management plans that yearly TACs and effort ceilings must comply with.

The Commission proposal implements into EU law the conservation measures agreed by the EU with its international counterparts in respect of straddling fish stocks and highly migratory fish stocks, when these translate into fishing opportunities. For stocks whose management is incumbent only upon the EU, the proposed fishing opportunities are based on the scientific advice received by the Commission as to the state of the stocks, on the basis of which, catch limits compliant with multi-annual management plans are determined. For stocks not covered by such plans, the proposed TACs respond to the scientific advice in the manner outlined in the Commission communication on the state of the situation.

The state of the situation to which the fishing opportunities proposals 2011 must respond was assessed in a Commission communication ([9888/10](#)). It highlights some good news, as the state of some stocks has improved. However, many fish stocks remain subject to an advice to reduce catches to zero or to the lowest possible level. Many stocks are considered as outside safe biological limits. Conservation measures for overexploited fish stocks are still needed.

For 2011, the advice from the International Council for the Exploration of the Sea (ICES) and the Scientific, Technical and Economic Committee for Fisheries (STEFCF) once more underlines the poor state of many fish resources in EU waters. But it notes improvements in certain important stocks, such as hake, sole and anglerfish.

² OJ L 358, 31.12.2002, p. 59.

Only stocks for which there is sufficient and reliable data can be assessed, so that size estimates are produced, as well as forecast of how they will react to the various exploitation scenarios. Such situation exists only for a number of regulated stocks. For the remainder, management has to be based on observed trends derived from indicators such as reported catches, which may be more or less reliable. In certain cases, the lack of reliable data prevents scientists to advice even on trends. In all these cases, the Commission proposes a precautionary approach. The Commission does not recommend an increase in fishing pressure unless the scientific advice indicates that this is possible without detriment to the stock concerned.

The ministers will also try to reach a political agreement on the fishing opportunities 2011 for the Black Sea (See the next point). The fishing opportunities 2011 for the Baltic Sea and the fishing opportunities 2011-2012 for deep sea stocks were already adopted, respectively on 26 October and on 29 November 2010.

According to Article 43(3) of the Treaty, the Council has to adopt measures on a proposal from the Commission on the fixing and allocation of fishing opportunities.

As the existing provisions in the area of the proposal are applicable until 31 December 2010, with the exception of certain effort limitations which are applicable until 31 January 2011, the regulation should apply from 1 January 2011 on.

Fishing opportunities for 2011 in the Black Sea

In addition to the fixing of general TACs and quotas for 2011, ministers will try to reach a political agreement on a regulation fixing for 2011 the fishing opportunities for certain fish stocks applicable in the Black Sea ([17003/10](#)).

In general regulation (EC) No 2371/2002 gives the framework for setting fishing opportunities and sets out the objectives for the annual proposals for catch and fishing effort limitations to ensure that EU fisheries are ecologically, economically and socially sustainable. Fishing opportunities in the Black Sea and the way they are allocated to the Member States concerned, i.e Bulgaria and Romania, are regulated annually. Two fish stocks are managed in the Black sea: turbot (*Psetta maxima*) and sprat (*Sprattus sprattus*).

The Commission proposal is based on the scientific advice on fishing opportunities in the Black Sea in 2011 delivered by the Scientific, Technical and Economic Committee for Fisheries (STECF) in November 2010.

According to Article 43(3) of the Treaty, the Council has to adopt measures on a proposal from the Commission on the fixing and allocation of fishing opportunities in the Black Sea.

As the existing provisions are applicable until 31 December 2010 the regulation would apply from 1 January 2011 on.

AGRICULTURE

Contractual relations in the milk and milk products sector

Ministers will be briefed on a proposal for a regulation amending regulation N°1234/2007³ as regards contractual relations in the milk and milk products sector.

These Commission proposals follow the Presidency conclusions on the report of the High Level Group (HLG) on Milk supported by a large majority of delegations ([13570/10](#)). These conclusions followed-on from the HLG recommendations and invited in particular the Commission to submit before the end of the year its response to the first three recommendations, concerning:

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

The Commission was also invited to take into account in its proposals the HLG recommendation on transparency

In response to the crisis in the dairy sector in 2009, in October of that year the Commission set up an HLG on Milk to discuss mid-term and long-term arrangements for the dairy sector, given that quotas are due to end on 1 April 2015.

The HLG published its report mid-June and recommended seven groups of measures ([11935/10](#) + [11758/10](#)). In addition to those related to the contractual relations between milk producers and dairies, producers' collective bargaining power and the role of interprofessional organisations, the recommendations also cover price transparency, market instruments, quality and labelling as well as innovation and research.

The quality package

The Council will be briefed by the Commission on the "quality package" consisting of:

- a proposal for a regulation on agricultural product quality policy; and
- a proposal amending regulation N°1234/2007 "Single Common Market Organisation".

The Quality Package consists of a set of proposals from the Commission designed to put in place a coherent agricultural product quality policy aimed at assisting farmers to better communicate the qualities, characteristics and attributes of agricultural product to consumers.

³ OJ L 229, 16.11.2007, p. 1.

Agricultural product quality policy forms part of the common agricultural policy (CAP). The Commission communication on the CAP towards 2020 ([16348/10](#) - See the next point) has identified several key challenges including maintaining the diversity of agricultural activities in rural areas and enhancing competitiveness, to which agricultural product quality policy will contribute.

Since the 1990s, agricultural product quality policy in the EU has been closely identified with three schemes:

- protected designations of origin and protected geographical indications,
- organic farming, and
- traditional specialities guaranteed.

In addition, through regulation N° 1234/2007, marketing standards have provided a legislative framework for fair competition and smooth functioning of the market

The Commission adopted a Green Paper on Agricultural Product Quality in October 2008 and launched a vast public consultation. The Council "Agriculture and Fisheries" of December 2008 took note of preliminary views from delegations on the agricultural product quality. As a follow-up, the Czech Presidency organised a conference on agricultural product quality in Prague on 12-13 March 2009.

The outcome of public consultation, as well as the results of the conference, provided the basis for the Commission communication which was adopted on 28 May 2009. In response to this communication, the Czech Presidency had a debate and Council conclusions were adopted at the Council "Agriculture and Fisheries" on 22-23 June 2009 ([10722/09](#)) inviting the Commission to prepare the ground for possible legislative initiatives.

The Council conclusions retained the following strategic orientations:

- improve communication between farmers, buyers and consumers about agricultural product qualities;
- increase the coherence of EU agricultural product quality policy instruments; and
- reduce complexity of the system to make it easier for farmers, producers and consumers to use and understand the various schemes and labelling terms.

The CAP towards 2020

The Council will hold a policy debate on a Commission communication *The CAP towards 2020: Meeting the food, natural resources and territorial challenges of the future* ([16348/10](#)).

Following an initial exchange of views which took place at the last Agriculture Council, ministers will hold a first policy debate on the Commission communication on the future CAP towards 2020. As the Commission identifies viable food production as the first main objective for the future CAP, the Presidency would like the debate be organised around the following question:

To what extent does achieving the objective for viable food production rely on:

- contributing to farm incomes and limiting their variability ?

- improving the competitiveness of the agricultural sector and enhancing its value share in the food chain?
- compensating for natural constraints ?

Using the two other main objectives identified by the Commission communication, the Hungarian presidency will organise two policy debates on this communication in January and February 2011 with a view to preparing Council conclusions supported by all delegations for adoption in March 2011.

On 29 November 2010, during the initial exchange of views, most of Member States generally welcomed the communication and noted that it provided a good basis for discussion. The future Hungarian Presidency confirmed already its commitment to taking work forward

The Council discussed during five successive Presidencies different aspects of the reform, the European Parliament (EP) adopted an own initiative report on the post-2013 CAP, and its link with the Europe 2020 Strategy. In July, the conference on the public concluded that a majority of views expressed concurred that the future CAP should remain a strong common policy structured around its two pillars. In addition, the informal meeting of the Agriculture ministers in La Hulpe on 21 September 2010 confirmed the interest of a two-pillar structure for the CAP, with sufficient flexibility in both pillars. Discussions had also shown that the reform should include in particular a better balance between income support and the rewarding of public goods provision, and should take better into account the diversity of European agricultures ([15339/10](#))

The Commission communication outlines options and launches the debate with the Council, the Parliament and with stakeholders. On the basis of the outcome of the institutional debate and of the consultation in the framework of the Commission impact assessment, more concrete and elaborated options and measures will be examined, their feasibility and effectiveness will be analysed in the framework of the impact assessment. The legal proposals will be presented on July 2011 for new rules to come into effect in 2014.

In order to enrich the debate, the Presidency will hold a lunch discussion on the concept of "active farmer" used in the Commission communication.

Situation on the dairy market

The Commission will present a quarterly report of the situation on the dairy market ([17244/10](#)).

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 27 September 2010.

Conditions for phasing out the milk quota system

The Council will be briefed on the developments in the market situation and conditions for phasing out the milk quota system (17243/10).

The regulation N°1234/2007 "Single CMO" provides in its article 184 that a first report on the conditions for phasing out the milk quota system should be presented by the Commission before 31 December 2010. A second report should be presented by 31 December 2012. This report shall be accompanied, if necessary, by appropriate proposals.

On 20 November 2008, the EU agriculture ministers reached a political agreement on the Health Check of the CAP. Conditions were proposed to phase out the milk quota system by April 2015. A 'soft landing' was ensured by increasing quotas by one percent every year between 2009/10 and 2013/14. For Italy, the 5 percent increase was introduced immediately in 2009/10. In 2009/10 and 2010/11, farmers who exceeded their milk quotas by more than 6 percent had to pay a levy 50 percent higher than the normal penalty.

ANY OTHER BUSINESS

Pig meat sector

The Council will be briefed by the Belgian Presidency on the main conclusions of the reflection day on "The pig meat sector towards 2020" held on 3 December 2010 in Brussels. Experts of the pig meat sector from Member States explored good practices in this area with a view to extending these at EU level with a long-term perspective.
