



Brussels, 15 October 2004

BACKGROUND ¹
AGRICULTURE AND FISHERIES COUNCIL

Luxembourg, 18 October 2004

The Council will start on Monday 18 October 2004 at 10:30 with agriculture and food safety items. The Council will welcome Ms. Mary Coughlan TD the new Irish Minister for agriculture and food Mr Hans Christian Schmidt the new Danish Minister for food, agriculture and fisheries and **Mr Evangelos Bassiakos the new Greek minister for agricultural development and food.**

Ministers will hold a policy debate on the Common Market Organisation of fruits and vegetables on the basis of a report from the Commission, adopt conclusions on a European action plan on organic food and farming and take note of the latest state of play of the international EU trade negotiations.

A lunch is foreseen around 1:30 pm in the honour of Mr Franz Fischler and Mr David Byrne since it will be their last attendances to a Council as European Commissioners.

The Council will continue in the afternoon, at 3:30 pm with fisheries items. The Council will start with a broadcasted public debate on the Community fisheries Agency, continue with two policy debates on the sole, Norway lobster and southern hake recovery plans and finish with EU/Norway bilateral agreement .

The meeting will be chaired by Mr Cees Veerman Minister for Agriculture, Nature and Food Quality of the Netherlands.

It is foreseen that the Presidency will hold a press conference at the end of the meeting (+/-19h30).

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

AGRICULTURE

FRUITS AND VEGETABLES (11889/04+ADD 1)

The Council will hold a policy debate on the basis of a questionnaire drawn up by the Presidency on the report from the Commission on the simplification of the common market organisation in fruits and vegetables.

This report was submitted on 10 August 2004 by the Commission the Council with a view in particular to providing input to discussion in the Council, the European Parliament and the sector concerned by raising strategic questions on possible improvements to the basic Regulation (EC) 2200/96.

During the debate at technical level (see 12542/04), several delegations suggested introducing greater flexibility in the recognition of Professional Organisations (POs) by establishing more flexible categories of POs according to product or by adding production categories, giving greater flexibility and subsidiarity as regards the authorised limit on direct sales to consumers, monitoring crisis-management through a good planning of production and adjustment of production to the market. The management of market crises with complementary tools was also raised as well as the possible additional instruments to be introduced in the CMO in order to increase consumption, particularly in relation to health.

EUROPEAN ACTION PLAN FOR ORGANIC FOOD AND FARMING (EAPOFF) - 10436/04 +ADD 1

The Council will adopt Conclusions on the EAPOFF. These conclusions, while supporting the approach of the Commission, also call for further work to be implemented as regards the principles of organic production, inspection and control and research. The EAPOFF was presented at the last June Council. Ministers held a public debate at this occasion (see 9999/04).

This plan contains 21 different actions split into three different sections (organic food market, public policy and organic farming, standards and inspections). The plan is designed to promote environmentally friendly farming and quality products in order to comply with the cross-compliance criteria in the framework of the new reformed CAP reform, by improving among others, information on organic products, enhancing data system in order to better target supply and demand, strengthening controls, improving research on organic farming.

After the adoption by the Council of its conclusions on a "Strategy for a European Action Plan for food and farming" (15908/03) at its meeting on 17/19 December 2003, a public hearing was held on 22 January with the different stakeholders on the theme "Towards an European Action Plan": Commissioner Fischler provided an information on the outcome of this hearing to the Council on 24 February (6483/04). In 2002 (15619/02) the Commission also presented a working paper to the Council on its analysis of the possibility of such a Plan.

INTERNATIONAL TRADE NEGOTIATIONS

The Council will take note of an information provided by the Commission on the state of play concerning international trade negotiations, including the WTO-DDA (Doha Round) and possibly at the request of one delegation, on EU/Mercosur negotiations, EU/US wine agreement, rice import tariffs and bananas import regime.

FISHERIES

COMMUNITY FISHERIES CONTROL AGENCY (9149/04+ ADD 1)- Public Debate

The Council will hold a broadcasted policy debate, open to the public, on the proposal for a Regulation establishing the Community Fisheries Control Agency (CFCA) and amending Regulation (EC) n° 2847/93 establishing a control system applicable to the Common Fisheries Policy. This debate will be steered by a questionnaire of the Presidency which will focus on the scope of competences of the Agency, its missions of co-ordination, the composition and the voting rights of the administrative board and the decision making procedure for the Joint Deployment Plans.

On 21 June 2004 (9999/04), the Council had a first preliminary exchange of views on the proposal establishing a Community Fisheries Control Agency presented by the Commission on 29 April 2004. In December 2003, the European Council agreed on the urgency of establishing this Agency and decided that the Agency will have its seat in Vigo, Spain. According to the proposal the Commission adopts coherent plans for Monitoring, Control and Surveillance ("MCS"), Member States pool their national means of control and inspection for joint deployment and the Agency organises Joint Deployment of national means under an appropriate Community plan.

The Agency will also perform a number of other tasks, inter alia assistance to Member States on control and enforcement, provision of contractual services to them, and training of inspectors.

The tasks of the Agency will focus on operational coordination of control and enforcement. It will have a budget of around €5m (mainly from the Community budget) and 50 staff.

Since May, the Council working group has begun to examine this proposal initially on a chapter-by-chapter basis, prior to a closer examination article by article. The most discussed issues at this stage concern the respective competences of the Member States and the Agency. At Coreper on 13 October, one delegation mentions the importance of the financial implication of the Joint Deployment Plans as regards the share of the burden between the Member States and the Agency.

A feasibility study has now been made available. It determines the optimal organisation for the operational functions and structure of the Agency.

Given that the legal basis for this proposal is Article 37, the Opinion of the European Parliament is required and is not expected before 22 February 2005. The appointed EP rapporteur for this proposal is Elspeth ATTWOOLL (UK, ALDE/ADLE).

RECOVERY PLANS: NORWAY LOBSTER, SOUTHERN HAKE AND SOLE (5204/04, 5205/04)

The Council will hold a policy debate on the basis of a questionnaire drawn up by the Presidency on two proposals establishing measures for the recovery of Southern Hake and Norway Lobster stocks in the Cantabrian Sea and Western Iberian peninsula, and for the recovery of sole stocks in the Western Channel and Bay of Biscay.

These two proposals have been presented by the Commission to the Council in January 2004 and are in compliance with the multiannual management of stocks approach of the CFP reform of 2002, to favour the recovery of fish stocks which are considered to be outside safe biological limits and to keep these stocks within these limits in particular through the setting of the Total Allowable Catches (TACs) in order to reduce the annual fishing mortality. The measures proposed also include

fishing effort limitation based on the number of days at sea, harvesting rules and the closure of fishing areas for bottom trawls vessels and creels in the proposal on Norway lobster and Southern hake . Financial support under the remaining resources of the FIG instrument and the possibility of carrying over the next year the unused aids are also scheduled with a view to compensate fishermen following fishing effort limitation and the likely reduction of catches.

Technical discussions have been going on since January 2004 in the Council. As regards the sole recovery plan, the definitive Opinion of the ICES scheduled on 18 October on the state of the stocks will either confirm the measures proposed by the Commission or might change the recovery plan into a long-term management plan if the scientific advice shows no sign of deteriorating state of the stocks beyond the biological safety limits. At Coreper on 13 October, three delegations noted the need to determine whether a management plan should be envisaged for the sole stocks in the light of the scientific advice of the ICES.

As regards the other recovery plans, the issues likely to be raised will focus on the long-term objective of the proposal concerning the fishing mortality, the alternative to the extension of closed fishing areas , the constraints on variation in TACs (a maximum 25% margin of flexibility of the TAC with regard to the TAC of the preceding year is allowed during the first year of application) and on the size of the fleet -segmentation of vessels among each fleet - under the fishing effort limitation scheme.

EU/NORWAY BILATERAL AGREEMENT

The Council will hold an exchange of views with a view to reach an agreement on political guidelines to be given to the Commission for the forthcoming negotiations with Norway. At the November Council, ministers should decide on it. The Agreement must be renewed before January 2005.

Fishing possibilities of cod in Norwegian waters are granted for several Member States under the Agreement as "cohesion cod". Norway, as an "exchange currency" is entitled to fish capelin and Greenland halibut in the Greenland waters, under the Fisheries Agreement with Greenland. As the biological state of the stocks of capelin in Greenland waters and Greenland halibut in Community waters might imply a reduction of these stocks in 2005, different options are being proposed by the Commission, including among others, the possibility of transferring other alternative species, or the impossibility to transfer Greenland halibut, capelin or other species. At Coreper on 13 October, several delegations restated their positions expressed at technical level, while insisting on the need to find a solution by end 2004.

OTHER BUSINESS

Bioterrorism Act (12941/04)

The Italian delegation will draw the attention of the Council and the Commission to the effects on EU exports of agricultural products to the USA of the recent US legislation into force.

Oil prices

The French delegation will draw the attention of the Council and the Commission to the recent significant increase of the oil prices and its consequences on the economic situation of the fishermen. The French delegation might ask the Commission as to what measures it intends to put in place to address the worries of the fishermen and the industry over the constant price increases.

School milk - request of the Danish delegation

The Danish delegation will present its request for a revision of the EU School Milk Scheme (Council Regulation (EC) n^o 1255/1999 - O.J. L 160, 26.6.1999, p. 73). The Danish delegation holds the view that the list of dairy products eligible for subsidies should be revised in order to better reflect the nutritional recommendations for children, in particular by encouraging the consumption of products with the lowest fat content and excluding products with high fat and/or high sugar content. To this end, the Danish delegation would invite the Commission to make a proposal to amend the above mentioned Regulation.

Rabies (13445/04)

The French delegation will inform the Council and the Commission on the latest developments concerning cases of rabies in France in animals illegally imported from the Maghreb. Taking into account the serious situation facing the health authorities as a result of these entries into France of animals without any sanitary check, the French delegation calls for several measures which could improve risk management with regard to rabies, in particular : developing information and awareness campaigns for travellers and transporters, reinforcing sanitary checks at Community frontiers as well as promoting cooperation and technical support programs with Maghreb countries.

GM coexistence (12834/04, 13430/04)

The Danish and Italian delegations, supported by the Greek, Austrian, German and Polish delegations, will draw the attention of the Council and the Commission to the initiatives ensuring the coexistence of GM crops and other crops, in particular by setting up a European task force. This task force would ensure that the collection and dissemination of information be coordinated in the EU and contribute towards identifying research requirements concerning co-existence. Furthermore, this request also stresses the need for setting limit values for labelling GMOs in seed and suggests that the decision by the Commission to include 17 genetically modified types of maize in the common catalogue of varieties should have been taken only once the Commission's report on experience with the Member States' implementation of the rules governing co-existence has been published.

Guidelines on the coexistence have already been published by the Commission in July 2003 (OJ 29.7.2003, L 189, p 36). Denmark already adopted a national legislation on the coexistence between GM, conventional and organic crops.

International Treaty on Plant Genetic Resources (13130/04)

The Spanish delegation will announce Spain's intention to host the meeting of the Governing Body of the International Treaty on Plant Genetic Resources for Food and Agriculture, scheduled for late 2005. The Spanish delegation will seek the Member States' and Commission's backing ahead of the final FAO decision and in staging the meeting itself, and call on them to help put the International Treaty into effect.

BSE (13412/04)

The Council will take note of the latest state of play on the BSE on the basis of a written information provided by Commissioner Byrne. The Commission document presents a progress review of the risk reducing measures taken over the past five years against BSE and puts forward

some reflections on possible future priorities in the medium term. The Commission also indicates in its note that a proposal amending Regulation N°999/2001² will be submitted to Council and Parliament this month. The proposal will extend the transitional BSE measures for a further two years to July 2007. In addition it will cover other issues such as rules for the production of products of animal origin, TSE monitoring, inspections in third countries and breeding programmes.

Cereals surpluses (13486/04)

The Hungarian and Czech delegations will inform the Council on the considerable surpluses stemming from this year's cereals harvest in Central Europe and might request Community assistance for export as well as measures ensuring the continuous export of cereals from intervention stocks. Regarding export possibilities, increased transport costs are due to the fact that EU exports are mainly conducted via seaports. Export prices offered to producers from Hungary and Czech Republic, mainland countries, are far below the intervention price, thus making exports unattractive.

Weather condition in Lithuania - State aid (13432/04)

The Lithuanian delegation, supported by the Latvian delegation, will inform the Council on a state aid measure of an expected €0.6 million under Article 87 of the Treaty, to compensate damages caused by natural disasters and extreme events in the agricultural sector of Lithuania in spring 2004, and will ask the Commission to analyse the notification recently submitted by the Lithuanian government as soon as possible. These damages to apples, blackcurrants and strawberries have been caused by unexpected frost in May 2004. The losses have been estimated to be equal to €5.59 million.

Implementation of the CAP reform (13487/04)

The Danish delegation will inform the Council on the difficulties arising from the implementation of the hybrid model as stated in Article 59 of Regulation (EC) n°1782/2003 and will ask for the handling of this issue by the Commission, in particular as regards the definition of active farmers in the Regulation, the conditions of eligibility to payments. The Danish delegation states that regional decoupled payment based on a reference period (2000-2002) foreseen in the Regulation does not currently prevent farmers raising cattle and who have sold their cattle or their land during this period, to buy or rent land in 2005 and to apply for payments of up to EUR 5 000 per hectare and to receive decoupled payments even though they are retired farmers.

² Regulation (EC) No 999/2001 of the European Parliament and of the Council of 22 May 2001 laying down rules for the prevention, control and eradication of certain transmissible spongiform encephalopathies (O.J. L 147, 31.5.2001, p.1)