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THE EUROPEAN UNION**



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Agriculture and Fisheries

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Main results of the Council

*As regards agriculture, the Council has taken note of the **Presidency conclusions on the CAP towards 2020** supported by a very large number of member states.*

*Proposals for decisions authorising the use of three **genetically modified varieties** in food, feed and for other uses were presented to the Council for adoption. No qualified majority was reached either for or against the authorisations.*

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

*Finally, ministers were briefed on the **simplification of the CAP**, on the outcome of an evaluation of the **EU policy on animal welfare**, on the state of play of the **negotiations with Mercosur** and on the **difficulties facing the olive oil sector**.*

*Over lunch, ministers discussed **institutional questions concerning the Food and Agriculture Organisation (FAO)**.*

CONTENTS¹

PARTICIPANTS	4
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ITEMS DEBATED

The CAP towards 2020 - <i>Presidency conclusions</i>	6
Authorisation of three genetically modified varieties.....	9
Situation on the dairy market.....	10
ANY OTHER BUSINESS	11
Simplification of the CAP.....	11
Evaluation of the EU policy on animal welfare.....	12
Negotiations with Mercosur.....	12
Situation on the olive oil market.....	13
Consequences of the current events in Japan.....	13

OTHER ITEMS APPROVED*TRANSPORT*

– Cross-border exchange of information on traffic offences*	14
– Transport performance on Trans-European rail axes - <i>Council conclusions</i>	14

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- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
- Documents for which references are given in the text are available on the Council's Internet site (<http://www.consilium.europa.eu>).
- Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's Internet site or may be obtained from the Press Office.

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United Kingdom:

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Commission:

Mr Dacian CIOLOȘ

Member

Mr John DALLI

Member

ITEMS DEBATED

The CAP towards 2020 - Presidency conclusions

The Council took note of the Presidency conclusions ([7921/11](#)) supported by a very large number of member states on the Commission communication *The CAP towards 2020: Meeting the food, natural resources and territorial challenges of the future* ([16348/10](#)).

The Presidency conclusions on the communication followed an initial exchange of views in November 2010 and three policy debates which took place at the Agriculture Councils in December 2010, January and February 2011 as well as an exchange of views in the Council ("Environment") on 14 March 2011. The policy debates were centred on the three main objectives of the future CAP identified in the Commission communication, namely:

- viable food production,
- sustainable management of natural resources and climate action, and
- balanced territorial development.

The Environment Council discussed the Communication in March and:

- endorsed the concept of further greening the CAP towards 2020;
- endorsed the commitment to ensure that the CAP substantially contributes to low-carbon economic growth and cost-effective climate change mitigation and adaptation in rural areas; and
- recalled that a sustainable, productive and competitive agricultural sector will make an important contribution to the Europe 2020 strategy.

The Council has discussed different aspects of the future CAP, particularly direct income support, market management measures and rural development policy during five successive Presidencies. The Presidency conclusions are the result of a detailed analysis by the member states of the policy orientations outlined in the Commission communication as part of the institutional debate on the CAP towards 2020. In short they:

- indicate that the CAP needs to adapt in order to address new challenges, particularly in the light of the Europe 2020 strategy.
- recall that a sustainable, productive and competitive agricultural sector will make an important contribution to the Europe 2020 strategy.
- make clear that the CAP should remain a strong common policy in the future, and acknowledge that the future CAP budget will be established by the European Council.
- identify simplification of the CAP as a key concern and invite the Commission to address a number of suggestions made by Member States.
- identify the three main objectives for the future CAP as: ensuring viable food production, sustainable management of natural resources and climate action, and balanced territorial development.
- recognise the need for more equitable distribution of direct income support gradually reducing the link to historical references, while taking due account of the overall budgetary context and avoiding major disruptive changes.
- encourages the Commission in its ongoing work to explore the possibility of member states better targeting support in order to make best use of tax-payers' money.
- note significant opposition to the possibility of an upper ceiling for large individual farms.
- endorse the concept of further greening of the CAP .

- express a commitment that the CAP should be part of the solution to climate change.
- recognise that the CAP is a powerful tool for promoting innovation.
- confirm that EU agriculture must continue its market orientation, gain competitiveness and undertake to provide farmers with adequate tools to address increasing risks regarding price volatility and income fluctuations.
- underline the importance of seizing the opportunity of reform to reverse the steady decline in farmers' share in the food supply chain.
- indicate that young farmers deserve special attention: Europe's ability to provide sufficient, safe and high quality food depends on them.
- recognise that a robust and flexible rural development policy will remain key to enhancing competitiveness, modernisation and sustainability of the agri-food sector.
- last but not least, undertake to maintain farming in all its diversity throughout the EU and develop the wider economic potential of rural areas.

Following this institutional debate and on the basis of impact assessments for the different policies, the Commission will prepare legal proposals to be presented in October 2011. The new rules should enter into force on 1 January 2014.

Authorisation of three genetically modified varieties

Proposals for decisions authorising the use of three genetically modified varieties in food, feed and for other uses, but excluding cultivation, have been presented to the Council for adoption. No agreement was reached either in favour of or against the authorisations.

Following the submission of initial applications for authorisation of these genetically modified varieties, the European Food Safety Authority (EFSA) was initially consulted, as provided for by Regulation 1829/2003, and issued favourable scientific opinions. On that basis, the European Commission drew up proposals for authorising these varieties, which were presented to the Standing Committee on the Food Chain and Animal Health (SCoFCAH). At its meetings on 24 September 2010 and 15 November 2010, the SCoFCAH was unable to achieve the qualified majority necessary to deliver an opinion for or against the authorisation measures proposed by the Commission. In the absence of an opinion it was up to the Council to act on the Commission proposals within a three-month period.

Today, the Council noted that there was not a qualified majority either in favour of or against the following three proposals:

- proposal for a decision authorising the placing on the market of products containing, consisting of or produced from genetically **modified cotton GHB614** from Bayer ([6221/11](#))
- proposal for a decision authorising the placing on the market of products containing, consisting of or produced from genetically modified **maize MON 89034 × MON 88017** from Monsanto ([6150/11](#)), and
- proposal for a decision amending decision 2006/197 as regards the renewal of the authorisation to place on the market existing feed produced from genetically modified **maize line 1507** from Pioneer and Dow ([6104/11](#)).

The Council having concluded its proceedings on this issue, the Commission is now entitled to finalise the decision-making procedure in respect of all the proposals.

Situation on the dairy market

The Council took note of the Commission's quarterly report on the dairy market, presented by the Commissioner in charge of Agriculture and Rural Development, Dacian Cioloş ([7595/11](#)).

Some delegations intervened to welcome the continuous favourable trend observed on the market. While some used this opportunity to recall the need to ensure a "soft landing" in all Member States, others referred to the volatility and fragility of the market and the need to remain cautious not to send a wrong signal that would encourage further production.

This report provides an overview of the conditions for the dairy market throughout 2010. It notes that the dairy market continues its recovery observed in the last report presented to the Agriculture Council in December 2010.

Fuelled by favourable weather conditions, dynamic demand and attractive milk prices, milk collection in the EU-27 increased by 1,23% in 2010. On an overall basis for the EU-27, the quota year is expected to end with an estimated 6% underuse of milk quotas. The increased milk production has been converted into value-added dairy products (yoghurts, cheese and others) that experienced an increase in production in line with demand, while dairy commodities (butter, butteroil and skimmed milk powder (SMP)) registered lower production levels.

The annual average milk price paid to producers in 2010 was 15% higher than the average price paid in 2009. EU average prices for dairy products continue to be largely above intervention levels. While cheese prices have remained relatively stable over the past 3 months, butter prices increased by 8% and milk powder prices surged. 2010 was particularly successful for EU dairy exports, especially for SMP, butter and cheese.

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

ANY OTHER BUSINESS

Simplification of the CAP

The Netherlands delegation briefed the Council about a note drawn up in collaboration with Denmark on the simplification of the CAP beyond 2013 ([7206/11](#)).

The note proposes that six key principles be reflected in the legislative proposals for the new CAP:

- The CAP should be simpler and cheaper for national authorities and imply reduced administrative costs for recipients;
- A risk-based approach should apply to controls on administrations and recipients;
- Member States should be accorded discretion and flexibility in programming, defining detailed controls, monitoring and evaluation of schemes;
- Controls and penalties should be more proportional;
- Consideration should be given to full transparency and clarity of roles and responsibilities;
- A better use of technology should be encouraged.

This proposal has currently the support of 26 member states.

Evaluation of the EU policy on animal welfare

Ministers were briefed by the Presidency and the Commission on the results of the evaluation of the EU policy on animal welfare (EUPAW) ([7436/11](#)).

The first EU action plan on the protection and welfare of animals 2006-2010 was adopted in 2006. It described strategic lines and future actions and grouped together in a single text the different aspects of the EUPAW. An evaluation was scheduled in view of programming future action beyond 2010.

The evaluation of the EUPAW, with reference to farm animals, experimental animals, pet animals and wild animals in captivity was initiated in November 2009 and covers four possible types of EU action: legislation, research, communication and international activities. Using a detailed analysis of the results of EUPAW compared to the initial objectives, the evaluation assesses the efficiency of this policy, and its coherence with other areas of EU policy. It will serve as a basis for the EU's future strategy to be presented by the end of 2011.

Some delegations insisted on the need for the EU to remain ambitious in the next action plan on animal welfare while others noted the need to implement and control existing measures and commented on the differences in standards on this issue applied in the EU and in third countries.

Negotiations with Mercosur

At the request of the Netherlands delegation, the Council was briefed on the state of play of EU trade negotiations with Mercosur ([7709/11](#)).

An initial exchange of views on relaunching negotiations with Mercosur took place at the Agriculture Council in May 2010. Since then, as three negotiating rounds had already taken place and as a new round was taking place on 14-18 March in Brussels, the Netherlands, supported by several member states (Belgium, Germany, Ireland, Greece, France, Austria, Poland, Slovenia and Finland), requested the Commission to inform the Council of the current state of play in those negotiations. The Netherlands recalled on this occasion the need to reach a broad, ambitious and balanced agreement which would not sacrifice EU offensive and defensive agricultural interests.

The Commission reassured the Member States that the results of an ongoing impact assessment on these negotiations for agriculture would be shared with delegations before any market access offer was made to Mercosur countries.

The Commission decided on 4 May 2010 to relaunch negotiations with Mercosur (Argentina, Brazil, Paraguay and Uruguay, with Venezuela in the process of joining). These free trade agreement negotiations began in 1995 and were suspended without agreement in October 2004. A successful EU-Mercosur agreement would need to address all aspects of the negotiations and in particular the core areas of industrial goods, services and agriculture.

Situation on the olive oil market

The Spanish delegation briefed the ministers about the current difficult market situation facing the olive oil sector ([7783/11](#)).

Prices for olive oil were at their lowest level for several years and there were still many stocks present on the market at the beginning of this marketing year. This was leading to losses for producers in several member states. The Spanish request to the Commission to activate the optional aid for the private storage of olive oil (article 31 of regulation 1234/2007) is supported by several other member states, in particular those producing olive oil.

In the Commission's opinion, the conditions required for the activation of private storage aid (serious disturbance on the market in certain regions of the EU and market price below the trigger price) had not yet been met. The Commission was analysing the situation to assess whether it was cyclical or structural and would refer this question for further discussion in a forthcoming management committee.

Consequences of the current events in Japan

Ministers expressed their sympathy on the tragic events in Japan.

Ministers were briefed on the potential consequences and risks of the current nuclear accident in Japan for foodstuffs and feed imported from that country.

The Commission representative stated that, at this stage, there were no health risks for European consumers. He recalled that Japan is currently authorised to export to the EU very few products of animal origin (i.e. fisheries products, bivalve molluscs, feed and feed derivatives). In addition, some vegetables are also exported from Japan to the EU. However, following the possible radioactive contamination of the products, controls will be reinforced by the Member States importing such products.

OTHER ITEMS APPROVED

TRANSPORT

Cross-border exchange of information on traffic offences*

The Council adopted its first-reading position on a draft directive facilitating the cross-border exchange of information on a number of traffic offences with a view to improving road safety and ensuring equal treatment of drivers irrespective of their country of residence ([17506/10](#) + [7384/1/11 ADD 1 REV 1](#)). The position, together with the statement of the Council's reasons ([17506/10 ADD 1 REV 1](#)), will now be sent to the European Parliament for a second reading.

The aim of the draft legislation is to enable a member state in which an offence has been committed with a vehicle registered in another member state to identify the holder of the vehicle and investigate who is personally liable for the offence, so that sanctions can be enforced. To this end, member states will allow each other access to vehicle registration data for identification of the holder or owner of the vehicle with which the offence has been committed.

The traffic offences covered by the draft directive are: speeding, non-use of a seat belt, failing to stop at a red light, driving under the influence of alcohol or drugs, failing to wear a safety helmet, use of a prohibited lane (such as emergency or public transport lanes), and illegally using a mobile phone while driving. The list may be extended in the future.

Due to their special legal position with regard to police cooperation under the Treaty of Lisbon, Denmark, Ireland and the United Kingdom will, for the time being, not participate in this measure based on the Treaty's provisions on police cooperation, but may consider joining in later.

For further details, see the press release on the December 2010 Transport Council meeting in [17068/10](#), p. 9-10.

Transport performance on Trans-European rail axes - *Council conclusions*

The Council adopted the conclusions on the Court of Auditors Special Report No 8/2010 "Improving transport performance on Trans-European rail axes: Have EU rail infrastructure investments been effective?" ([7006/11](#)).
