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THE EUROPEAN UNION**



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## **PRESS RELEASE**

3249th Council meeting

### **Agriculture and Fisheries**

Luxembourg, 24-25 June 2013

President            **Mr Simon Coveney**  
Minister for Agriculture, Food and the Marine of Ireland

# **P R E S S**

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## **Main results of the Council**

*As regards agriculture, the Council held a debate on the outcome of the trilogues on the proposals for the **direct payments regulation**, the **single common market organisation (CMO) regulation**, the **rural development regulation** and the **horizontal regulation** within the framework of **reform of the common agricultural policy (CAP)**.*

*The Presidency presented a summary of the issues cleared in the trilogue discussion; on this basis, ministers debated to adjust of the negotiating mandate to finalise the discussions with a view to a political agreement with the other EU institutions on the CAP reform package.*

*Finally, the ministers were briefed on the consequences for agriculture of recent **flooding in several member states**.*

**CONTENTS**<sup>1</sup>

<b>PARTICIPANTS</b> .....	<b>4</b>
<b>ITEMS DEBATED</b>	
AGRICULTURE .....	6
Reform of the common agricultural policy (CAP) .....	6
ANY OTHER BUSINESS.....	7
Flooding in Eastern and Central Europe - Consequences for agriculture.....	7
<b>OTHER ITEMS APPROVED</b>	
<i>none</i>	
Annex 1 .....	8
MAIN ISSUES CLEARED IN TRILOGUES ON 24 JUNE 2013 .....	8
Annex 2 .....	12
MAIN ISSUES OF THE ADJUSTED MANDATE AGREED ON 25/06 .....	12

<sup>1</sup>

- 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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Ms Michelle O'NEIL

Minister of Agriculture and Rural Development NI

.....  
**Commission:**

Mr Dacian CIOLOȘ

Member  
.....

The government of the acceding state was represented as follows:

**Croatia:**

Mr Tihomir JAKOVINA

Minister for Agriculture

**ITEMS DEBATED**

**AGRICULTURE**

**Reform of the common agricultural policy (CAP)**

The Council held a debate on the outcome of the trilogue discussions with the European Parliament and the Commission on the four main proposals for regulations within the framework of reform of the common agricultural policy (CAP). More specifically, the Presidency reported back to the ministers about the issues cleared in the last round of trilogues which took place in Luxembourg on Monday, 24 June in parallel with the Council meeting. Finally, the Council reached agreement on an adjustment of its negotiating mandate to finalise the discussions with the other institutions on CAP reform package with a view to a political agreement.

Since the beginning of trilogues discussions on the CAP reform package in April this year, the positions of the Council and the European Parliament converged towards compromises on many political and technical issues. The Presidency has drafted a comprehensive package of consolidated texts identifying the points of convergence and the key outstanding issues.

The main issues cleared with the other EU institutions in the trilogue discussions, in particular those which took place on Monday are set out in Annex 1 (11561/13, 11546/13). The changes introduced amend or supplement the Presidency consolidated draft regulations of the CAP reform package:

- the regulation establishing rules for direct payments to farmers (Direct Payments Regulation) ([10730/13](#));
- the regulation establishing a common organisation of the markets in agricultural products (Single CMO Regulation) ([10784/13](#));
- the regulation on support for rural development (Rural Development Regulation) ([11102/13](#));
- the regulation on the financing, management and monitoring of the CAP (Horizontal Regulation) ([11082/13](#)).

Furthermore, the main issues part of the adjusted revised mandate are detailed further in Annex 2 (11546/13 ADD 1, 2 and 3).

It is to note that these issues will be addressed at a final trilogue to be held in Brussels on 26 June 2013 prior to European Parliament Agriculture Committee (COMAGRI) extraordinary meeting that day.

In this context, in case of a political agreement found at this stage, the Special Committee on Agriculture (SCA) has been instructed by the Council to finalise the legal texts with a view to reaching an agreement with the European Parliament at first reading subject to legal linguistic revision.

Issues related to the Multiannual financial framework (MFF) will be dealt separately pending finalisation of the MFF agreement between EU institutions.

## **ANY OTHER BUSINESS**

### **Flooding in Eastern and Central Europe - Consequences for agriculture**

The Austrian, Czech, German and Slovak delegations briefed the Council about the consequences for agriculture of the flooding resulting from the overflowing of Danube and Elbe rivers and requested the European Commission for the activation of appropriate measures ([11299/13](#)).

Several other member states, some of them affected by this flooding, some of them not directly concerned supported the request of these delegations.

Extensive rainfall in late May/early June caused the rivers Danube and Elbe as well as their tributaries to overflow which resulted in severe flooding in several member states. Extensive damages have been caused by flooding to agriculture and forestry, horticulture and specialised crop cultivation, animal farming, inland fisheries and aquaculture.

The Commission detailed the financial measures at the EU level which could be made available in this case, in particular the application of the EU solidarity fund, measures in the rural development fund (EAFRD) about the reconstitution of the production potential affected by catastrophic events and the notification of national state aids. The Commission declared itself ready to examine quickly demands made under these provisions by affected member states.

***MAIN ISSUES CLEARED IN TRILOGUES ON 24 JUNE 2013***

**1. DIRECT PAYMENTS**

**Internal Convergence - Partial Convergence Model (Article 22.5a)**

- Optional maximum 30% loss on convergence.
- Minimum payment 60% of national/regional average payment per hectare.
- Where 60% minimum results in a maximum loss greater than 30% in Member States applying this threshold, the percentage minimum payment may be reduced in order to respect the 30% threshold.
- Member States flexibility on how payment reductions are applied to those above the average.
- 30% variable greening (Article 29).
- Optional maximum payment per hectare.

**Coupled Payments (Articles 38 and 39)**

- All Member States permitted a level of 8% coupling, plus 2% for protein crops.
- Member States who used more than 5% coupled aid in one year in the period 2010-2014 permitted a level of 13%, plus 2% for protein crops.
- Member States who used more than 10% in one year in the 2010-2014 period may decide to use more than 13% upon approval by the Commission (Article 39).

**Financial Discipline (Article 8)**

- Payment franchise of €2,000.

**Active Farmer (Article 9) /**

- Short mandatory negative list agreed, comprising airports, railway services, water works, real estate services, and permanent sports and recreational grounds.



**Young Farmer (Article 36) /**

- Mandatory scheme agreed in Pillar 1, using up to 2% of national ceiling.

**Small Farmer (Articles 47, 49 and 51)**

- Optional scheme, with a maximum payment of €1,250, using up to 10% of the national ceiling.
- Five calculation methods to accommodate circumstances in Member States.

**Greening**

***Equivalence (Article 29 & Annex)***

- Equivalent measures removed where they relate to permanent crops. New sentence added to confirm no double funding.

***Maintenance of Permanent Grassland (Article 31)***

- Permanent grassland ratio can be applied at national, regional or farm level.

***Ecological focus areas (EFAs) (Article 32)***

- The minimum area threshold where there will be no EFA requirement is 15 hectares of arable land.
- The percentage - starting at 5% in 2015, then moving to 7% only after a Commission report in 2017 and subject to a legislative proposal
- Permanent crops are now excluded from EFA.
- EFA applies to arable land only.
- A list of EFA eligible areas has been agreed (e.g. fallow land, terraces, landscape features, buffer strips, agro forestry, etc.) as well as exemptions (e.g. holdings where more than 75% of the holding is in grassland, heavily forested areas, etc. )
- Having a weighting matrix as at template to be included as an annex in the basic act, with figures added by the Commission by the way of delegated acts.

## **2. SINGLE CMO**

### **Vine planting rights (Article 54)**

- New planting authorisations system to commence in 2016 (article 54f).
- 2030 end-date for authorisations system (article 54f).
- 1% annual increase in vine planting authorisations (article 54b).
- Vine planting rights' duration extended from 3 to 5 years as transitional measure (article 54h).

## **3. RURAL DEVELOPMENT**

### **Priorities (Article 5)**

- Priority 2 changed to include a reference to promoting the sustainable management of forests.
- In Priority 3 a reference has been added to the processing and marketing of agricultural products has been included under food chain organisation.

### **Quality Schemes (Article 17)**

- Support for information and promotion activities.
- Empowerment for the Commission to adopt delegated acts in order to ensure consistency with other Union instruments on promotion.

### **Afforestation (Article 23)**

- Support for establishment costs in the case of fast growing trees.
- No support is provided for fast growing trees for energy production.

### **Agri Environment (Article 29) / Organic Farming (Article 30) / Natura and Water Framework Directive (Article 31)**

- New text has been inserted to provide that no double funding will be payable under these measures.

**Areas with natural constraints (ANCs) (Article 32 and Annex II)**

- Changes have been made to the proposed timing of degressive payments in view of the proposal to start in 2018. Earlier commencement will also be permitted.

**ANCs (Article 33)**

- Text relating to the cumulation of bio-physical criteria has been moved
- The threshold must be reached at municipalities or equivalent units (i.e. Local administrative unit 2 or LAU2) level or an equivalent administrative area, and that fine-tuning must also be applied to these designations.

**Fund Contribution (Article 65)**

- At least 30% of the total EAFRD funds must be reserved for measures under Articles 18 (Investment), 22 to 27 (Forestry), 29 (Agri-Environment), 30 (Organic farming) and 31 (Natura, excluding WFD-related payments), 32 and 33 (ANCs) and 35 (Forest Environment Measure).

**Annex I (Support Rates)**

- Provision has been made for a support rate of 70% for information and promotion action under article 17.
- In the case of ANCs, the maximum support rate has been increased from €300 to €450, with provision for a further increase for high-altitude agricultural areas.

**4. HORIZONTAL REGULATION**

**Exchange Rate and Operative Event (Article 106(3))**

- Council proposal to facilitate non-euro Member States to convert the amount of aid on the basis of the average of the exchange rates set by the European Central Bank.

**Monitoring and Evaluation of the CAP (Article 110.2)**

- Provides for the adoption of monitoring and evaluation indicators measuring the performance of the policy, by means of implementing acts.

***MAIN ISSUES OF THE ADJUSTED MANDATE AGREED ON 25/06***

**1. DIRECT PAYMENTS REGULATION**

**Article 11 - Degressivity**

- Mandatory degression on amounts over €150,000 at 5%, (strictly on the condition that other MFF issues are taken off the table).
- Possibility to decide not to apply this article in case of redistributive payments in case of more than 5% of the annual national ceiling.

**2. HORIZONTAL REGULATION**

**Article 4(2)(e) - Use of the unused portion of the crisis reserve by DG SANCO.**

- No inclusion of the provision

**Package on Arts 8, 9, 42, 43, 44, 48**

- Presidency considered that a package comprised of the following measures provided the basis for a solution:
  - delegated act on accreditation of paying agencies and coordination bodies (art 8),
  - implementing act on tasks to be completed by certification bodies (art 9),
  - compliance with payment deadlines and the deletion of the requirement to pay interest on late payment (art 42),
  - breach of two rather than three national control systems leading to earlier reduction and suspension of monthly payments (art 43),
  - suspension of up to 1.5% (rather than 2%) of payments in the case of late submission of control statistics (art 44),
  - delegated powers in connection with articles 42, 43 and 44 (art 48).

**Article 7 Number of Paying Agencies**

- Council wish to retain the same number as at present but agree not to increase the number in the Member States.

**Articles 25(4a) the operation of the reimbursement of unused crisis reserve funds to beneficiaries.**

- Beneficiaries in year N pay into the crisis reserve.
- Beneficiaries in year N+1 to be reimbursed unused funds from the crisis reserve

**Art 56(2) - (50:50 Rule)**

- Retention of the 50/50 rule and point to the fact that the actual funding involved is relatively small (less than €15m p.a.).

**Article 12(2) and (3) and Annex I. Farm advisory service (FAS) (linked to Article 93(3) and (4))**

- The two Directives (i.e. Water Framework Directive (WFD) and the Sustainable Use of Pesticides Directive (SUPD)) are included as obligatory elements of FAS (deleted from cross-compliance).

**Article 76(1) and (2): Payment deadlines**

- Start P2 payments on 16 October, in line with P1, after administrative checks only have been completed, all payments (P1 and P2) to be completed by 30 June of the following year.

**Article 71(2): EFA's in LPIS**

- LPIS to reflect stable EFA's for greening control purposes with the update required should be completed by 2018 at the latest.

**Article 77a(5a): Greening penalty**

- Phasing-in penalty maxing at 25% of the greening payment as of 2017. The legal text set out in Article 77a(5a) provides that the penalty is applicable to the basic payment scheme.

### **3. SCMO**

#### **On milk:**

- Dropping of EP Article 156a on supply control in the milk sector;
- Inclusion of recital no. (134a) referring to need to address market disturbance in the milk sector;
- Retention of milk package provisions on recognition of POs, APOs and IBOs in the milk sector
- Deletion of Article 110(5) and second paragraph of Article 111 : application to the milk sector of Articles 110 and 111 giving discretionary power to Member States to permit POs and IBOs to extend rules to non members;
- Deletion of Article 145a - extension to the milk sector of Article 145 on the application of competition rules to IBOs.;
- Deletion of Article 157 (4) - Scope of Article 157 on "Communication Requirements" extended to milk.

#### **On sugar:**

- Article 101(3): End Date 2017 (or 2018)
- Annex IIIB - Additional 30,000 tonnes of Isoglucose quota for Hungary;

#### **On Contractual Negotiations**

- New Articles 113b, c, and d have been inserted permitting POs in the olive oil, arable crops and beef sectors to engage in collective bargaining, with protection for co-ops, and competition, and a 15% upper limit on the share of the national market.

#### **Position on Article 43(3) related provisions**

- Only for article 7 (reference prices), article 7 (1a) (possible review of reference prices) and article 12(1)(c) (opening of public intervention prices for the beef and veal sector) possibility to accept use of article 43(2) (co-decision); all other articles refer to article 43(3).