



**COUNCIL OF  
THE EUROPEAN UNION**



5335/07 (Presse 4)

**PRESS RELEASE**

2777th Council Meeting

**Agriculture and Fisheries**

Brussels, 29 January 2007

President

**Mr Horst SEEHOFER**  
Federal Minister of Food, Agriculture and Consumer  
Protection of Germany

**P R E S S**

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5335/07 (Presse 4)

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**EN**

## **Main results of the Council**

*The Council held a first exchange of views on the **fruit and vegetable sector reform** and on the proposal to abolish maize intervention.*

*It also held a policy debate on banning the marketing and import of **cat and dog fur**.*

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- <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.
  - The documents whose 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 abovementioned Council Internet site or may be obtained from the Press Office.

## PARTICIPANTS

The Governments of the Member States and the European Commission were represented as follows:

### Belgium:

Ms Sabine LARUELLE

Minister for Small and Medium-Sized Businesses, the Liberal Professions and the Self-Employed and Agriculture

Mr Yves LETERME

Minister-President of the Flemish Government and Flemish Minister for Institutional Reform, Agriculture, Sea Fisheries and Rural Policy

### Bulgaria:

Mr Nihat KABIL

Minister for Agriculture and Forestry

### Czech Republic:

Mr Petr GANDALOVIČ

Minister for Agriculture

### Denmark:

Mr Hans Christian SCHMIDT

Minister for Food, Agriculture and Fisheries

### Germany:

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Federal Minister for Food, Agriculture and Consumer Protection

Mr Gert LINDEMANN

State Secretary, Federal Ministry of Food, Agriculture and Consumer Protection

### Estonia:

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Assistant Minister of Agriculture

### Ireland:

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### Greece:

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Minister for Rural Development and Food

### Spain:

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Minister for Agriculture, Fisheries and Food

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Minister for Agriculture and Fisheries

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Minister for Agricultural and Forestry Policy

### Cyprus:

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### Lithuania:

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Minister for Agriculture

### Luxembourg:

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State Secretary for Relations with Parliament, State Secretary for Agriculture, Viticulture and Rural Development, State Secretary for Culture, Higher Education and Research

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Parliamentary Secretary for Agriculture and Fisheries,  
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Minister for Agriculture

**Finland:**

Mr Juha KORKEAOJA

Minister for Agriculture and Forestry

**Sweden:**

Mr Eskil ERLANDSSON

Minister for Agriculture

**United Kingdom:**

Mr David MILIBAND

Secretary of State for the Environment, Food and Rural  
Affairs**Commission:**

Mr Markos KYPRIANOU

Member

Ms Mariann FISCHER BOEL

Member

**ITEMS DEBATED****PRESIDENCY WORK PROGRAMME**

(5149/07)

Over lunch, Mr Horst Seehofer gave Ministers an overview of the work programme and the issues to be debated during Germany's Presidency<sup>1</sup>. The work of the Federal Ministry of Food, Agriculture and Consumer Protection will concentrate on eight areas:

- 1) Simplification and Cutting Red Tape – making space for innovation and investment
- 2) Quality and Competition –European agriculture in the face of the global challenge
- 3) Security and Progress – renewable resources: an energy of the future
- 4) Fair Balance of Interests – international trade policy in focus
- 5) Culture, Progress, Added Value – investing in the future of rural regions
- 6) Balancing Use and Sustainability – protection of animals and natural resources
- 7) High Food Safety Standards and a Healthy Diet – Europe: strong in responsibility and prevention
- 8) Consumer Policy: on an Equal Footing – more rights, greater transparency and better protection

The following conferences will be organised: “Food Quality Schemes in Brussels (5-6 February); “Prevention for Health - Nutrition and Physical Activity - A Key to Healthy Living” in Badenweiler (25-27 February); “Fuelling the Future - Renewable Resources Show the Way Forward for Rural Areas in Europe” in Nuremberg (5-6 March); “Labelling for Better Animal Protection?” in Brussels, 28 March.

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<sup>1</sup> For further information see the German Presidency website:  
[http://www.eu2007.de/en/The\\_Council\\_Presidency/Priorities\\_Programmes/index.html](http://www.eu2007.de/en/The_Council_Presidency/Priorities_Programmes/index.html)

## **FRUIT AND VEGETABLES**

(5572/07)

The Council took note of the presentation by Commissioner Fischer Boel of the Commission proposal for a reform of the fruit and vegetables sector and held a first exchange of views on the matter.

In general, a large majority of delegations could support the objective and the key elements of the proposal. Some of these delegations pointed out the necessity to respect budgetary neutrality and discipline. Several delegations underlined the importance of crisis management tools adapted to this sector and noted the increasing vulnerability of the sector to imports from third countries.

The cornerstone of the proposed reform is the transfer of funds from processing aid to the decoupled **Single Payment Scheme (SPS)**. The total amount that will be transferred to the SPS is around EUR 800 million. The proposal is budget neutral. The following measures are also proposed:

- **Producer Organisations (PO):** POs will gain greater flexibility and their rules will be simplified. Member States and POs will develop Operational Programmes based on a national strategy. The budget for POs is currently around EUR 700 million.
- **Crisis management:** will be organised through Producer Organisations (50% co financed by the Community budget). Tools will include green harvesting/non-harvesting, promotion and communication tools in times of crisis, training, harvest insurance, and financing of the administrative costs of setting up mutual funds. Withdrawals to be carried out by POs with 50% co-financing.
- **Environmental measures:** The inclusion of F&V in the SPS means that **cross compliance** will become mandatory for those farmers receiving direct payments. In addition, each Operational Programme should spend at least 20 % of expenditure on environmental measures. There will be a 60 % Community co-financing rate for **organic** production in each operational programme.

- **Promotion:** The World Health Organisation recommends consumption of **400g** of F&V per day. Currently, only Greece and Italy reach this level. POs will be able to include promotion of F&V consumption in their Operational Programmes.
- **Trade with third countries:** Given that world trade talks are still ongoing, the proposal does not touch on the current legal framework for external trade. However, it is proposed that **export refunds be abolished**.
- **Simplification:** The abolition of processing aid will contribute significantly to simplification, as will the new rules on POs and the abolition of export refunds.



**CEREALS COMMON MARKET ORGANISATION - MAIZE INTERVENTION**

(16922/06)

The Council took note of the presentation by Commissioner Fischer Boel of the proposal for the abolition of maize intervention and held a first *exchange of views* on this matter.

Several Member States expressed their disagreement with the proposed abolition of the intervention system, which they consider a necessary instrument for the stability of the market. They invited the Commission to postpone any decision at least until the effects on the market of the changes adopted in 2006 concerning the quality requirements of maize for intervention had been gauged.

The Council invited the Special Committee on Agriculture to continue the examination of the proposal and to report to the Council.

Commissioner Fischer-Boel, having noted that there was not a majority in favour of the proposal at this stage, indicated that the situation had dramatically changed since the accession of the new Member States. She took note of the worries expressed by some Member States and mentioned that the other proposal on financing intervention was intended to limit the impact on such regions. She pointed out that it was necessary to change the system and indicated that she would cooperate with the Presidency to explore alternatives to abolition.

The Commission believes that maize has become the main problem for the intervention system, with deficit areas in the Community suffering from high prices for cereals, while large quantities of cereals are bought into intervention in surplus regions. The bulk (93%) of maize intervention stocks are at present located in Hungary.

This proposal would entail a budget saving of EUR 617.8 million over the period 2008–2014.

**REGULATION AMENDING EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND (EAGGF)**

*(5433/07)*

The Council took note of the presentation of the proposal supplementing the proposal on maize intervention, which introduces a temporary amendment of the conditions applied by the European Agricultural Guidance and Guarantee Fund (EAGGF) for financing the cost of the funds mobilised by Member States for public storage operations.

The Council invited the Special Committee on Agriculture to continue the examination of this proposal and to report to the Council, and to consider it in connection with the proposal for the abolition of maize intervention.

This measure will alleviate in 2007 and 2008 the additional costs for such operations incurred by Member States with very high internal interest rates. (Hungary, which also has the main concentration of maize bulk storage, is one of them).

**WTO-DDA ROUND**

Commissioner Fischer-Boel updated the Council on the latest state of play in the WTO negotiations. She stressed that nothing of substance had changed since July 2006, despite the informal contacts with partners in recent weeks, including those in the margins of the World Economic Forum in Davos last weekend. She stressed that no new negotiating figure had been put on the table by the Commission in Davos. She reiterated her wish for a deal, and emphasised the importance that the Commission attached to working according to the mandate granted by the Council.

The Presidency concluded that the Commission's negotiating mandate remained that defined by the Council in its conclusions of 18 October 2005 and 12 June 2006 and that the Council reiterated its support for the Commission in this difficult negotiation.

Many delegations underlined the importance of balanced and parallel progress in all areas of negotiations, and some mentioned in particular the importance of addressing rules, including Geographical Indications and certain non-trade concerns.

The Presidency repeated its intention of keeping this issue on the agenda for forthcoming Council meetings.

**BAN ON MARKETING AND IMPORT OF CAT AND DOG FUR**

*(15674/06)*

The Council held an exchange of views on this item, framed by a questionnaire seeking support on the objective of the proposal and asking delegations to share their experience on controls and analytical methods.

The Council noted the unanimous support of delegations for the objective of the proposal and for the principle of improving public information and consumer confidence.

Concerning analytical tools to carry out efficient controls, most delegations offered either to share their experience or to cooperate with those Member States that had such a ban in force under their national law. Some delegations gave a reminder that the costs and resources involved in performing such controls should remain proportionate.

The Council also took note of the comments made at this stage by a majority of delegations opposed to any derogation that could weaken the objective of the proposal.

The Council gave mandate to the Council's preparatory bodies to continue the examination of the proposal, with a view to reaching a conclusion during the German Presidency.

Commissioner Kyprianou welcomed the wide support for the objective and indicated that the Commission would cooperate with the Presidency to achieve the adoption of the proposed regulation as soon as possible.

**OTHER BUSINESS****a) Avian Influenza (H5N1)**

Commissioner Kyprianou gave the Council a written update (5786/07) on the latest developments concerning identified cases of H5N1 strain avian influenza in Hungary.

Commissioner Kyprianou invited all member States to continue to apply strong preventive biosecurity measures, on wild birds as well as on poultry.

On 24 January 2007, Hungary informed the Commission of an outbreak of highly pathogenic avian influenza of H5N1 strain, of the culling of the infected geese flock to prevent the spread of the virus and of other measures taken in accordance with Community legislation.

**b) Veterinary negotiations between the EC and the Russian Federation**

The Council took note of the positive outcome of a meeting, which took place in Berlin on 19 January 2007, and of the signing of additional guarantees to be annexed to the existing Memorandum, following the accession of Bulgaria and Romania (17049/06).

The Presidency informed delegations that a meeting would be held 14 February 2007 to tackle legal issues.

Commissioner Kyprianou thanked the Council for its broad support during the negotiating process. He indicated that the Commission had provided Russian veterinary authorities with documentation guaranteeing that Poland was respecting both Community legislation and the Memorandum.

The Russian authorities have sent a series of questions back to the Commission and have announced on-the-spot checks in Poland next week. The Commission services will assist the Polish competent authorities during the inspection. Similar inspections were carried out in other Member States and are part of the routine process for the approval of establishments by Russia.

**c) Thematic strategy for soil protection**

The Council discussed, on the basis, of a request from the Austrian delegation (5453/07) - supported by the Belgian, Irish, Estonian, Luxembourg, Netherlands, Finnish and Polish delegations - the importance of soil protection for agriculture and forestry and the need to grant Member States sufficient subsidiarity on that issue. The Estonian, Polish, Lithuanian and Latvian delegations took this opportunity to propose the inclusion of soil acidification in the impact assessment as the 8th "threat to soil" (DS 61/07).

The German delegation indicated that questions on proportionality and subsidiarity still need to be discussed.

With the agreement of the Presidency and of the Austrian delegation, Commissioner Dimas was given leave to attend another meeting in the European Parliament and was not present at the time of the discussion. The Presidency proposed to invite him to the next Council meeting to answer the concerns raised.

A policy debate on the Thematic Strategy for Soil Protection is scheduled for 20 February 2007 in the Council (Environment).

The Agriculture and Fisheries Council will return to this issue at its next meeting in March, when Commissioner Dimas will be present.

**d) Cross compliance**

The Council took note of a request from the Danish delegation (5597/07) concerning difficulties in implementing cross compliance, namely the need for further clarifications, an evaluation of the control system and proportionate sanctions.

Several delegations agreed on the need to simplify cross compliance to avoid excessive administrative costs and burdens.

Commissioner Fischer Boel indicated that a report on the implementation of cross compliance would be transmitted to the Council in March and that she was ready to simplify and improve the application of cross compliance provisions.

The Presidency concluded that the Council would come back to the issue as soon as the Commission report was available.

**(e) Drought in the Mediterranean area**

The Council took note of a request from the Cypriot delegation (5603/07), supported by the Greek, Spanish, French, Italian, Maltese and Portuguese delegations, to envisage Community support for the Mediterranean region affected, for the third consecutive year by a severe drought. The drought has had adverse effects on crops (cereals, vegetables) and has led farmers to import hay for their livestock. At the same time the Cypriot government has adopted drastic restrictive measures as regards irrigation.

Commissioner Fischer Boel took note of the request from the Cypriot delegation and mentioned that Cyprus authorities had already granted national support which was compatible with the legal framework for State aid.

**(f) Forest damage caused by a hurricane in the Czech Republic**

The Council took note of information provided by the Czech delegation (5604/07), on the serious forest damage caused by a hurricane in the Czech Republic (estimated fallen timber 80% of Czech planned timber production for 2007). The Council also took note of the emergency measures put in place to manage the crisis at national level.

Commissioner Fischer Boel said she was aware of the considerable losses caused by the storm. She said that her services would examine, as soon as they were notified by the Czech authorities, the use of rural-development measures for the period 2007 - 2013 connected with reforestation and restoring forestry production following natural disasters. She also reminded the meeting that the Community Solidarity Fund remained the main instrument for natural disasters of this kind.

**(g) Implementation of the simplified energy crops scheme in the new Member States as from 2007**

The Council took note of a request (5634/07) from the Latvian delegation, supported by the Bulgarian, Czech, Danish, Estonian, Lithuanian, Hungarian and Slovak delegations, concerning the possibility for the new Member States to implement the simplified scheme for energy crops as from 1 January 2007 instead of 1 January 2008, as proposed by the Commission.

Commissioner Fischer-Boel took note of the remarks made by these delegations. She reminded them discussion within the Management Committee on Direct Payments had been completed and that re-opening those discussions would delay the implementation of the new scheme. She indicated that she would carry out an in-depth analysis of the situation and would come back to the Member States concerned but that she could not promise anything at this stage.

**h) Implementation of Complementary National Direct Payments (CNDP) from 2007**

The Council took note of a request from the Latvian delegation (5668/07), supported by the Czech, Estonian, Lithuanian, Hungarian and Polish delegations, expressing concerns about the interpretation of Article 71 of Regulation No 1782/2003 in the Commission guidelines.

Commissioner Fischer-Boel took note of the remarks made by the Latvian delegation and suggested a legal examination of the issue.

**(i) Situation in the EU sugar sector**

The Council took note of the French delegation's request (5669/07), supported by the Austrian and Danish delegations, concerning possible measures to redress the balance in the sugar market.

Commissioner Fischer Boel regretted the insufficient uptake of applications under the sugar restructuring fund (650 000 tonnes up to now). She announced that, as a consequence, it would be necessary to proceed to a withdrawal of 2 million tonnes of production (12% of the quota for 2007-2008) in two steps:

- 1) production under quota would be reduced before the sowing season (March);
- 2) later in the season (October) an assessment would be made and an additional withdrawal could be decided OR sugar could be sold - out of quota - to the chemical industry.

She also said that the Commission would consider ways to ensure that the restructuring fund was attractive in order to secure its proper functioning.



**(j) Additional national financing in connection with Rural Development Plans (2007-2013)**

The Council took note of a request from the Belgian delegation (5702/07), supported by the Italian, French, Luxembourg and Netherlands delegations, concerning the urgent need to clarify the different interpretations of the new Community guidelines for State aid, in relation to additional national financing provided for in Article 89 of Regulation No 1698/2005.

Commissioner Fischer-Boel took note of the remarks made by the Belgian delegation, the same remarks as were addressed to the Commission in December 2006, and indicated that the issue was still under examination and that the Commission would provide an answer as quickly as possible.

**OTHER ITEMS APPROVED****EXTERNAL RELATIONS****Relations with Ukraine - Cooperation Committee**

The Council adopted a position, to be adopted by the EU at the 9th EU-Ukraine Cooperation Committee meeting to be held in Kiev on 31 January 2007.

**JUSTICE AND HOME AFFAIRS****Schengen - 2007 budget**

The Member States meeting within the Council adopted the 2007 budget for SISNET (the communication infrastructure for the Schengen environment) (15957/06).

**TRADE POLICY****International Coffee Agreement**

The Council adopted a decision authorising the Commission to open negotiations on an agreement with a view to amending or replacing the 2001 International Coffee Agreement.

**General Agreement on Tariffs and Trade - Enlargement**

The Council authorised the Commission to open negotiations under Article XXIV.6 of the GATT following the accession of Bulgaria and Romania to the EU.

**ENVIRONMENT****Infrastructure for spatial information in the Community**

The Council adopted a directive aimed at establishing an Infrastructure for Spatial Information in the European Community (INSPIRE), in accordance with the joint text agreed by the Council and the European Parliament on 21 November 2006, at the end of the conciliation procedure (PE-CONS 3685/06).

The directive aims at creating a legal framework for the establishment and operation, in the Community, of an infrastructure for the dissemination of spatial information for the purpose of formulating, implementing, monitoring and evaluating Community policies, at all levels, and providing public information. Its key objective is to make more and better special data available for policy-making and implementation of Community policies.

INSPIRE will specifically focus on information needed in order to monitor and improve the state of the environment, in particular regarding air, water, soil and the natural landscape, but it is also open for use by other sectors such as agriculture, transport and energy.

The Commission, public authorities, legislators, universities, researchers, the media and citizens' organisations will all benefit from INSPIRE.

*For more details see press release 15679/06.*

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